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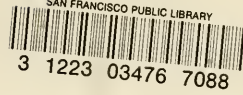



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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF JANUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, Calif. at 4:00 o'clock p.m. on the 13th day of January 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Willie B. Kennedy
Leroy King
Melvin D. Lee
Walter S. Newman

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and the following was absent:

Rubin Glickman, Vice President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Jovita D. Buted and Gloria Aleriam, Filipino Community Information Center; Lou Remundo and S. Prudenciade, Filipino-American Council; Samuel Green Arcade Realty; M. Robertson, IPA; Samuel Dukes, Dukes-Dukes and Associates; Jerry Moore, Imperial Protective Agency; Paul F. Faberman, Paul Faberman & Co.; Ed Klan, John Thompson Company; and Yolanda Hall, San Francisco State University.

Representing the press were Gerald Adams, San Francisco Examiner; and Amelia Ashley, Sun Reporter.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of an Adjourned Regular Meeting of November 20, 1980, the Regular Meeting of October 7, 1980 and December 9, 1980, the Adjourned Special Meeting of December 22, 1980, and the Executive Meetings of December 9, 1980 and December 16, 1980, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the conveyance of Parcel 726-A, SW corner of Fillmore and O'Farrell Streets, to the Fillmore Economic Development Corp., Western Addition Area A-2. Staff recommended that the hearing be continued for two weeks.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that the Public Hearing be continued for two weeks. There being no objections, it was so ordered.

REPORT OF THE PRESIDENT

President Berk welcomed new Commissioner Walter S. Newman to the Agency Board.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) The Mayor reaffirmed Melvin D. Lee and swore in Walter S. Newman on January 12, 1981 as Commissioners of the Redevelopment Agency. Mr. Hamilton expressed appreciation for Mr. Lee's continued service and welcomed Mr. Newman to his first meeting.
- (b) The Mayor has now signed the Ordinance approving the Rincon Point-South Beach Redevelopment Plan on January 9, 1981. Implementation of the plan is now underway.
- (c) At the Closed Session of the Commissioners on December 16, 1980, Joseph Lejarza was appointed Deputy Area Director for Hunters Point and India Basin, and Robert Reece was appointed Deputy Area Director for the Western Addition A-2. He expressed his belief that these appointments were beneficial to the Agency.
- (c) Mr. Hamilton indicated that there were amendments to the Brown Act, effective January 1, 1981 and requested Leo Borregard, Agency General Counsel, to comment on these new provisions and outline the proposed Agency's Policy.

Mr. Borregard indicated that it was appropriate for the Agency to have a clearly stated policy relative to requests for records under the California Public Records Act and in implementation of the new Ralph M. Brown Act requirements relating to the availability for inspection of documents distributed to all or to a majority of Agency Commissioners for discussion or consideration at a public meeting. Mr. Borregard then indicated the specifics of this policy which are attached hereto and made a part of these minutes.

Mrs. Kennedy joined the meeting at 4:25 p.m.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE POLICY FOR USE TITLE BE ADOPTED.

Mr. Lee joined the meeting at 4:30 p.m.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed conveyance of Parcel F-8, southwest corner of Evans and Keith, to Darwest Associates, India Basin Industrial Park (continued from January 6, 1981).

Resolution No. 1-81 authorizing a Land Disposition Agreement with Darwest Associates for Private Development and other conveyance instruments in connection with the sale of Parcel F-8, approving Disposition Value and ratifying publication of Notice of Public Hearing, India Basin Industrial Park.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel F-8, India Basin Industrial Park.

Mr. Hamilton indicated that authorization is requested to enter into a Land Disposition Agreement with Darwest Associates for the 64,400-square-foot parcel located on the southwest corner of Evans and Keith in the India Basin Industrial Park. Mr. Hamilton noted that the general partners of this development, Frank Johnson and Allen Armstrong, will build a 30,000 square-foot building for use of the Darcoid Rubber Co. and Western Sponge Product, Inc., which are business

NEW BUSINESS (continued)

owned and operated by them. The building includes an extra 10,000 square feet that will be leased to other companies in the rubber product industry and the Postal Service Employee Unions. It is expected that a total of 85 persons will be employed in this building which is three times the number required under the Agency's Employment Density Guidelines. The partners of Darwest also support the Agency's Agreement with the Joint Housing Committee that speaks to the matter of employment for neighborhood residents. The following schedule of performance dates are outside dates and the developer may perform earlier than these dates: Conveyance of the site, October 6, 1981; Start of Construction, November 6, 1981; Construction Completed, October 6, 1982.

There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-81 BE ADOPTED.

- (b) Resolution No. 2-81, authorizing termination of Land Disposition Agreement with the Investors for Parcel B-6, Northwest corner of Jennings and Newhall, India Basin Industrial Park.

Authorization is requested to terminate the Land Disposition Agreement (LDA) with The Investors for the 1.46 acres located on the northwest corner of Jennings and Newhall Streets in the India Basin Industrial Park. Mr. Hamilton indicated that this LDA was approved in October 1979 for the proposed 10,000-square-foot building for office and distribution space for their firm, Precision Transport Services. The cost estimates were higher than originally expected and at the same time, due to a general economic slowdown, the business had a significant downturn. These factors, plus the sharp increase in interest rates, have resulted in the developer not being able to proceed with the development of this property. It is recommended that this LDA be terminated and the firm's security deposit of \$5,600 be returned since the developer has worked in good faith to accomplish the proposed development.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-81 BE ADOPTED.

- (c) Resolution No. 3-81 authorizing termination of Land Disposition Agreement with the San Francisco Custom Dry Cleaners, Inc. for Parcel I-5, southwest corner of Fairfax and Keith; India Basin Industrial Park.

Authorization is requested to terminate the Land Disposition Agreement (LDA) with San Francisco Custom Dry Cleaners, Inc. for the 25,000 square foot parcel located on the southwest corner of Fairfax and Keith Streets in the India Basin Industrial Park. This LDA was approved in December 1979 and the developer had planned to build 7,200 square feet building for office uses with cleaning and laundry space for their dry cleaning business. However, due to the economic slowdown this business has not grown as fast as anticipated and with the escalation in interest rates the developer does not believe it can proceed with the development of this facility. Termination of this LDA and return of the security

NEW BUSINESS (continued)

deposit of \$1,690 is recommended. The developer has acted in good faith to make this development feasible.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-81 BE ADOPTED.

- (d) Resolution No. 4-81 appointing a Loan Committee for the Western Addition A-2 Residential Rehabilitation Program - California First Bank.

The appointment of a loan committee is recommended to assist in the implementation of the \$1,000,000 Loan Agreement with California First Bank which was approved on December 16, 1980. Mr. Hamilton indicated that these Agency-sponsored loans are reviewed by a Loan Committee which historically has been made up of two Agency appointees and two from WAPAC, plus a representative from the bank. It is recommended that Mr. Felton Williams, Chairman of the Loan Committee for San Francisco City Employees Credit Union and Mr. James Stratten, a property owner in A-2, be appointed as the Agency representatives. Both have served on previous Loan Committees. WAPAC's recommendations are Mrs. Mary Rogers and Mr. Ted Frazier.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-81 BE ADOPTED.

- (e) Resolution No. 5-81 authorizing second amendatory agreement to the addendum to the agreement contemplating a negotiated Disposition of Land with Nihonmachi Community Development Corp., and subsequent conveyance to Susumbe Seiki and Tsuijako Seiki for Parcel 686-G, northwest corner of Post and Laguna, Western Addition A-2.

Mr. Hamilton indicated that WAPAC had requested this item be held one week.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that the second amendatory agreement to the addendum with Nihonmachi Community Development Corp. be continued for two weeks. There being no objections, it was so ordered.

- (f) Resolution No. 6-81 authorizing second amendatory agreement to the addendum to the agreement contemplating a negotiated Disposition of Land with Nihonmachi Community Development Corp., and subsequent conveyance to H.I.S. for Parcel 686-J(1), east side of Nihonmachi Mall between Post and Sutter, Western Addition A-2.

Mr. Hamilton indicated that WAPAC had requested this item be held one week.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner the second amendatory agreement to the addendum with Nihonmachi Community Development Corp. be continued for two weeks. There being no objections, it was so ordered.

- (g) Resolution No. 7-81 approving the Filipino American Council of San Francisco, Inc. as the representative group of the San Francisco Filipino Community to rent space in the Opera Plaza Development, Western Addition A-2.

It is requested that the Filipino-American Council of San Francisco, Inc. be approved as the representative group of the San Francisco Filipino community to rent space in the Opera Plaza development. Mr. Hamilton indicated that the Filipino community has had an active interest in establishing a cultural center in this location for some time. The LDA with Opera Plaza approved February 1979 required that not less than 2,000 square feet of commercial, exhibit/display space be provided in that project for use by a representative group of the Filipino community. The space is to be rented at a rate not to exceed \$1.00 per year for not less than 20 years, and the tenant will pay for its own improvements, taxes, insurance, utilities and operating expenses. Notices have been placed in the Examiner, Progress and three widely circulated Filipino publications stating this matter would be before the Commissioners for consideration. Mr. Hamilton recommended approval of the Filipino-American Council of San Francisco as the representative group.

Mr. Earl Mills introduced Mr. Lou Remundo, President of the Filipino-American Council of San Francisco, who indicated his pleasure that they would have a cultural center.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-81 BE ADOPTED.

- (h) Resolution No. 13-81 reconsideration of authorizing Exclusive Negotiations with Goodlett Management Corp., dba "Kimball Park Project", for Parcel 707-B, northeast corner Steiner and O'Farrell, Western Addition A-2.

Authorization is requested to reconsider entering into exclusive negotiations with the Goodlett Management Corp. for the 22,343-square-foot parcel located at the northeast corner of Steiner and O'Farrell in the Western Addition A-2. Mr. Hamilton recalled that an LDA was authorized in 1976 with Dr. Goodlett for development of 13 market-rate condominiums, but due to various problems encountered by the developer in obtaining financing and carrying out other commitments, the program did not proceed. He noted that several extensions were granted to the performance dates, the last one in April 1979; however none of the conditions of the extension were met and the LDA expired. Mr. Hamilton indicated that Dr. Goodlett now proposes to construct 20 dwelling units, of which 18 will be 1,100 square feet and two 1,400-square-foot townhouses. After careful evaluation staff believes that the developer has now assembled a team with sufficient technical expertise that will have the capacity to effect early implementation. It is therefore recommended that exclusive negotiations with the Goodlett Management Corp. be approved for a 60-day period.

Mr. Paul Faverman, representing Goodlett Management Corp., spoke on behalf of the project and urged the Commissioners' favorable consideration. Mr. David Jenkins spoke in support of the development proposed by Dr. Goodlett and Ms. Mary Rogers, Chairman, WAPAC, also spoke in support, urging the Commissioners to approve this item. In response to Mr. Lee's request, Mr. Faverman indicated he would bring the plans for the project to next week's meeting. Ms. Blomquist indicated her concern about the length of time, since 1976, that Dr. Goodlett had had to get this project going.

NEW BUSINESS (continued)

In response to Mr. Newman's inquiry Mr. Faverman indicated his belief that financing could be provided for this development.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MS. KENNEDY THAT RESOLUTION NO. 13-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Kennedy
Mr. King
Mr. Lee
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist
Ms. Berk

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (i) Resolution No. 14-81 authorizing a contract with Imperial Protective Agency for Security Guard Services, Western Addition A-2.

Authorization is requested of a contract with Imperial Protective Agency for security guard services in the Western Addition A-2 in an amount not to exceed \$125,866. Mr. Hamilton indicated that this contract will provide for a one-person armed foot patrol during working hours at the site office; a one-person mobile patrol during nonworking hours and "as needed" hours for special security assistance as required. The Agency now has approximately \$3 million in rehabilitation work underway and a number of properties to be demolished for new construction or sold for rehabilitation that require security surveillance. He noted that at the meeting of January 22, 1980 the Commissioners authorized a one-year contract with this firm which was the low bidder, for \$116,364. with an option clause for an extension of 12 months at a cost increase not to exceed 7.5% per hour. However, the Agency has recently increased the insurance requirements for its contracts; therefore, a new contract is required rather than amending the present agreement. The cost of additional insurance is \$775 and staff feels that payment of this would impose a hardship on the firm with only the 7.5% increase allowed. Therefore staff is recommending: (1) that the contractor be compensated for the additional insurance with a payment separate and distinct from the contract costs; (2) that the contract be brought into conformance with actual practice and paid on a semimonthly basis rather than a monthly basis; and (3) finally that the Agency retain the "Option Clause" with a 10% per hour increase for possible renegotiation of the contract. This would not preclude bidding the contract if it were determined that a greater cost savings would be realized.

Mr. Hamilton stressed that the renewal of this contract with Imperial is a cost-effective means of providing continued protection of Agency-owned property. The firm is an area-based contractor with office space in Victorian Square and has performed satisfactorily

NEW BUSINESS (continued)

with its prompt response to crucial situations which has been highly satisfactory.

Ms. Mary Rogers, WAPAC, expressed concern that the Agency was paying extra for this insurance and inquired why the contract should not go out to bid. Mr. Hamilton reiterated that the firm had provided good service and that in the "option clause" was specified a 7.5% increase in the contract. The additional insurance coverage now required would have lowered that increase, so in effect they would not be getting a 7.5% increase. He recommended approval of the contract.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-81 BE ADOPTED.

- (j) Resolution No. 8-81 authorizing a name change for the Inchon Village Development to Mariners Village Development.

Authorization is requested to officially change the name of Inchon Village to Mariners Village. Mr. Hamilton indicated that this formal change was proposed to enhance the "subdivision-like" identity for the area commensurate with the setting in which the units are located, which includes excellent views of the bay and related maritime activities. The name Inchon Village is either not recognized by the general public or causes unfavorable reaction, or is mispronounced.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-81 BE ADOPTED.

- (k) Resolution No. 9-81 authorizing a Personal Services Contract with the John Stewart Company for marketing-management services, Inchon Village Development.

Authorization is requested to award a Personal Services Contract to John Stewart Co. for marketing, sales and premanagement services for Mariners Village Development in an amount not to exceed \$200,000. Mr. Hamilton indicated that on December 16, 1980 staff was authorized to negotiate a contract with John Stewart to provide marketing services. The focus of the program is to sell the units to families whose incomes are within 95% of the median and who otherwise qualify for home-ownership under the Section 235 Program. The consultant will also assist in creation of the homeowners' association. The cost is consistent with the Section 235 regulations which allow up to 4 per cent of sales receipts for marketing commissions, which is considerably lower than the typical 6 per cent real estate fee. These transactions also require more expertise because of the complexities of the financing program and technicalities of creating a new community of homeowners. The John Stewart Co. is well qualified and the Agency had direct experience with the firm in the subsidized housing industry. They have most extensive local experience in the creation, marketing and management of Section 235 condominiums. The firm plans to hire a minority broker to handle not less than 25% of the contract services.

NEW BUSINESS (continued)

Mr. John Stewart indicated he was happy to be considered for these services and would be available to brief the Commissioners on the program if it would be useful. He then introduced Mr. Sandy Green of Arcade Realty, the minority firm that would work with him on this contract.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 9-81 BE ADOPTED.

- (1) Authorizing change orders to Rehabilitation Contract 1, and Site Improvement Contract 1R, up to a maximum combined amount of \$500,000, Inchon Village Development.

This item authorizes the Executive Director to execute change orders to Rehabilitation Contract No. 1 and Site Improvement Contract No. 1R for the Mariners Village Development in an amount not to exceed \$500,000, subject to HUD approval. Mr. Hamilton indicated that the background memo stated a cost of \$400,000; however, on January 12, 1981, the contractor quoted a price of the work at \$470,000. Staff believes this quote is excessive and is analyzing the estimates and will make every effort to keep the costs within an acceptable range. When this contract was awarded to Carlin Company on July 29, 1980 for the low bid amount of \$1,824,315, 180 calendar days were allowed to complete the project starting from the Notice to Proceed of October 27, 1980, plus delays for conditions beyond the contractor's control. Two change orders regarding field conditions not covered in the contract plans and beyond contractor's control are delaying his work and warranting time extensions. They are as follows: (1) the plumbing is made of galvanized steel intermixed with copper and dielectric couplings and it is estimated that the galvanized steel will corrode and leak within 2-10 years, estimated cost: \$200,000; (2) electrical wiring is substandard according to S. F. Building Code and initial estimates are \$100,000 to bring it up to code; (3) there are some "not yet critical" items which total \$100,000: (a) portions of the irrigation system thought to be functional are inoperable and replacement is estimated at \$50,000; (b) \$15,000 for construction of a decorative wall to create a visual separation of Inchon Village from the vacant Housing Authority buildings; (c) minor electrical and plumbing code deficiencies and finishing work at about \$35,000. Staff is investigating the responsibility for late discovery of these problems and consequent liability of delay or cost damages and will explore all avenues to collect from those who may-be liable for damages.

Mr. Lee expressed his concern about the cost figures quoted and requested a copy of the estimates. Robert Isaacson, Area Engineer, indicated he would provide them.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-81 BE ADOPTED.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT THIS RESOLUTION BE AMENDED TO INCLUDE A TIME EXTENSION NOT EXCEEDING NINETY (90) DAYS.

- (m) Consideration of authorizing the advertisement of Demolition Contract No. 1, Inchon Village.

Authorization is requested to solicit bids for Demolition and Site Clearance Contract No. 1, Mariners Village. This contract will provide for the demolition and clearance of seven post-war structures in the "Solomon Village" area, located on the south side of Jerrold Avenue. This work will include clearance of brush, concrete walks and stairways, asphalt pavement, numerous underlying and overhead utility lines and poles, plus capping sewer and waterlines. When this contract is completed, it will eliminate potential hazards and unauthorized use of the buildings.

MOTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT THE ADVERTISEMENT OF DEMOLITION CONTRACT NO. 1, INCHON VILLAGE DEVELOPMENT, BE APPROVED.

- (n) Resolution No. 16-81 authorizing an amendment to the 1980 City-Agency Community Development Agreement for the transfer of funds, Inchon Village Development.

Authorization is requested to amend the 1980 City-Agency Community Development Agreement to provide \$600,000 for rehabilitation activities in Inchon Village. Mr. Hamilton indicated when Mariners Village closed escrow, the need for an additional \$600,000 was discussed with OCD's Director, James Johnson, and his staff, and verbal commitment was received to make funds available from 1980's CD "site acquisition" fund. This amendment will formalize that commitment and approval is recommended.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-81 BE ADOPTED.

- (o) Resolution No. 17-81 authorizing entering into exclusive negotiations with Dukes-Dukes and Associates, Inc., Parcels X-1 through X-10, Y-7 through &-13, Y-15, Z-1, Z-9, Z-10, Z-13 and FF-2, Phase I, scattered along the western portion of Hunters Point.

Authorization is requested to enter into exclusive negotiations for 45 days with Dukes-Dukes and Associates, Inc. for 29 parcels in Phase I, Hunters Point. Mr. Hamilton indicated these parcels were previously under land disposition agreements with Nancylee Finley and Bahia Vista Homes, which have been terminated. The experience of Dukes-Dukes had been in consultant work; however, most recently it has been working with Cal-Fed Enterprises, a subsidiary of California Federal Savings and Loan, in building housing in San Bernardino. For this development it proposes creating a partnership to build 49 single-family homes on 29 parcels. It will be the general partner, with the management, administrative, and technical responsibilities. Cal-Fed will provide the equity capital, including money for land take-down. Cal-Fed has also indicated it may provide interim construction financing. Mr. Hamilton noted SB-99 financing is still available for Phase I single-family homes and can provide mortgages upon completion. The proposal calls for two-phase development with 18 lots on Keith Street and construction starting May 1981, using the architectural plans prepared for Nancylee Finley, which are in final form and ready for submittal for building permits. The second phase on 31 lots, anticipated to start construction August 1981, will either use or revise previously submitted plans. Sales prices are estimated to range from \$91,000 to \$109,000. Mr. Samuel Dukes indicated he was ready to proceed on this project.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-81 BE ADOPTED.

NEW BUSINESS (continued)

- (p) Resolution No. 18-81 authorizing a contract for consulting services with John S. Thompson Co., Inc., Yerba Buena Center, Rincon Point-South Beach.

Authorization is requested to contract with John S. Thompson Co., Inc. in the amount of \$18,000. Mr. Hamilton recalled that last April the South of Market Coalition had presented their planning guidelines for the Yerba Buena Center area. The report urged that the Agency secure a marketing study for location of a supermarket. Staff has evaluated the need for such a market and believes it is an important element in achieving the neighborhood "ambiance" the Agency plans to provide in this area. The study will consist of six elements that will cover five alternative sites, four in YBC and one in the Rincon Point-South Beach area. These elements include: (1) site analysis -- a filed study of alternative sites for appropriateness; (2) market support -- analyzing demand compared with supply of space; (3) potential sales volume estimates; (4) evaluating information generated for optimum location; (5) contacting potential market operators to determine their current selection criteria and procedures; and (6) random telephone interviews to identify shopping habits and inventory attitudes. This company is uniquely qualified for this study. Its extensive experience in this field includes evaluation of site location studies for various types of retail chains, the competitive environment in the free market economy, demographic trends and population densities, which gives them a large data base from which to make recommendations.

Ms. Blomquist expressed concern about the cost of the contract and indicated that she believed staff had the capacity to perform these services.

Mr. Hamilton stressed his belief that this study was not within staff's expertise.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MRS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-81 BE ADOPTED.

- (q) Resolution No. 19-81 authorizing an Agreement with Steefel, Levitt & Weiss for Legal services, Yerba Buena Center.

Approval is requested to enter into a Legal Services Agreement with Steefel, Levitt & Weiss for Yerba Buena Center in an amount not to exceed \$50,000. The firm of Dinkelspiel, Pelavin, Steefel & Levitt has given the Agency outstanding service in several litigation cases and certain aspects of the YBC Request for Qualifications, and most recently the Planters Hotel vacation. Last June the Commission approved a contract for \$25,000 with the firm to render assistance to the Agency for all project areas. Since that time the Dinkelspiel firm has divided and the partner the Agency had relied on to provide real estate expertise, Stephen, Cowan, is now with the firm of Steefel, Levitt & Weiss.

It is believed that the specialized real estate expertise is necessary to have available during the YBC Central Blocks negotiation process. In addition Joel Zeldin is also now with the Steefel, Levitt & Weiss firm. Mr. Zeldin's specialty is litigation, and through his representation of the Agency with the Dinkelspiel firm, he has acquired significant background in Agency procedures and applicable federal and state law.

Mary Rogers, WAPAC, indicated her concerns regarding the Affirmation Action Program of this firm and Mr. Borregard, Agency General Counsel, answered that the firm was only two weeks old and their Affirmative Action Program was not yet in place, but that the proposal was to utilize the services of a specific attorney.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-81 BE ADOPTED.

- (r) Resolution No. 10-81 authorizing the Executive Director to request financial settlement and execution of a closeout agreement, Embarcadero/Lower Market.

Authorization is requested of the Embarcadero-Lower Market Closeout Agreement between the Agency and the City, which has been concurred in by HUD. Sufficient funds are available from grants and land sales proceeds to pay off the indebtedness to HUD under the Loan and Grant Contract. The Agreement prepared by HUD varies from the standard form because it will provide for the commitment of surplus grant and land sales proceeds first to the Embarcadero/Lower Market project and then to the repayment of the temporary loan on the Hunters Point/Stockton Sacramento Neighborhood Development Program, which is estimated at \$323,000. This variation is a significant factor in staff's recommendation to close out the project financially; otherwise the money would be turned over to the City for reprogramming and the Agency's other projects would have to compete with other City demands for the funds.

ADOPTION: IT WAS MOVED BY MRS. KENNEDY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-81 BE ADOPTED.

- (s) Resolution No. 11-81 authorizing Letter Agreements with the Department of Public Works for review of Agency plans and specifications on construction projects.

Authorization is requested to execute Letter Agreements with the Department of Public Works for the review of Agency plans and specifications on various construction projects in an amount not to exceed \$10,000. Mr. Hamilton indicated that the City is required to review Agency plans and specifications for consistency with City standards for all site improvements constructed by the Agency. He noted that the \$9,000 authorized in March 1978 has now been expended. It has been beneficial to the Agency to have the City review those improvements to ensure they meet City standards and facilitate the assumption of maintenance responsibility by the City as soon as the improvements are completed. He recommended approval of the Letter Agreements necessary to continue this service.

In response to Ms. Mary Rogers' inquiry, Mr. Earl Mills, Deputy Director Community Services, indicated that they had approached the Department of Public Works regarding their Affirmative Action and negotiations with Civil Service are underway.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-81 BE ADOPTED.

- (t) Resolution No. 12-81 authorizing a Personal Services Contract with William M. Mercer, Inc., to conduct Social Security Withdrawal Feasibility Study.

Authorization is requested to contract with William M. Mercer, Inc. to conduct a Social Security withdrawal feasibility study in an amount not to exceed \$11,000. Mr. Hamilton indicated that one of the provisions of the Local 21, Memorandum of Agreement of 1979 required such a study, and in December 1979 a resolution was adopted that gave a two-year notice of the Agency's intent to withdraw from the Social Security System. This notice is revocable any time during this two-year period. However, once the decision to withdraw is made, it is irrevocable. It is extremely important to perform a feasibility study because of the complexity of the issues involved. Proposals were sought for consultant services to conduct the study in November and two bids were received

NEW BUSINESS (continued)

with Mercer submitting the lowest bid. This firm proposes to perform the study in three phases, allowing termination at the end of Phase I or Phase II if the Agency decides not to proceed with the study. Phase I would perform an actuarial projection of the comparative value of Social Security if the Agency withdraws or continues with the system and would be completed around March 31, 1981 at a cost of \$3,000. If the Agency decides to go forward with the study in Phase II the Agency's benefit program would be examined and a program developed to replace as closely as possible Social Security benefits. Benefit levels would be illustrated for before and after withdrawal demonstrating the quality of the replacement program and its cost. During this Phase, the Agency would request actuarial valuations of the Public Employees Retirement System for any replacement benefits they might supply. Cost for this would be in addition to the Phase II consultant fees. Phase II would be completed by June 30, 1981, at a cost of \$3,000. Again, if the Agency decided to proceed, in Phase III and prior to a vote of the employees, literature would be prepared and distributed and meetings conducted to help educate employees on the pros and cons of withdrawal. Phase III would be completed no later than September 15, 1981 at a cost of between \$3 and \$5,000.

The Mercer proposal is logical in its approach and addresses major concerns of the effects of withdrawal from Social Security on the Agency and its employees. They have performed Social Security studies for other public employees in the San Francisco area.

ADOPTION: IT WAS MOVED BY MRS. KENNEDY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-81 BE ADOPTED.

- (u) Resolution No. 20-81 authorizing an Agreement for Community Development Services with the City and County of San Francisco for the 1981 Community Development Program year.

Approval is requested of an Agreement for Community Development Services and Memorandum of Understanding between this Agency and the City for the 1981 Community Development Year. This Agreement provides a total budget of \$9,784,500 for the 1981 Program year, which is for eleven months, February 1 to December 31, 1981, and is budgeted by project as follows: Hunters Point NDP, \$66,200; India Basin Industrial Park, \$132,209; Bayview Industrial Triangle, \$1,090,250; Western Addition A-2, \$4,709,973; Yerba Buena Center, \$9,964; Rincon Point-South Beach, \$3,687,262; and Central Relocation Services, \$88,735. These allocations were approved on October 14 and submitted to HUD on October 17, 1980. Subsequent approval was received from HUD on January 2, 1981. This Agreement remains essentially the same as the 1980 one with the exception of rate and project expenditure changes.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

Resolution No. 21-81 authorizing travel for the Development Specialist Applicant.

This item requests your authorization to pay travel expenses from Tucson, Arizona to San Francisco and return for Phillip B. Whitmore an applicant for the Development Specialist position in an amount not to exceed \$400.

The appointment of Hunter Johnson as Chief of Rehabilitation has left a key

MATTERS NOT APPEARING ON AGENDA (continued)

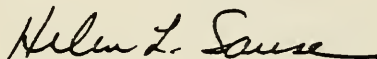
position vacant in Development & Real Estate Division. This position has major responsibilities for India Basin and Rincon Point-South Beach. Mr. Whitmore, one of the finalists, was initially interviewed by telephone and staff feels that because of his skills and experience they would like to interview him in person. It is recommended that travel funds be reimbursed to Mr. Whitmore in accordance with the Agency's travel policy in an amount not to exceed \$400.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MRS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mrs. Kennedy, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:10 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

Approved: January 20, 1981

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1/20/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF JANUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 20th day January 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Willie B. Kennedy
Leroy King
Melvin D. Lee
Walter S. Newman

SUPPLEMENTAL

and the following was absent:

None

0 1981

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Benny Stewart, Melvin Smedley, Western Addition Project Area Committee (WAPAC); Mary Staymates, George Stewart, Pauline Segal, Western Addition Neighborhood Association (WANA); Bill Hautt, Bridgmont High School; Carolyn Phillips, Pine Project; Sim Seiki, Sim Seiki; Claude Carpenter, Jeanette Wiseman, Joint Housing Committee; Kats Hauch, H.I.S.; Linda Hallen, South of Market Coalition; and Henry Crawford, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Glickman, seconded by Ms. Kennedy, and unanimously carried that the minutes of a Regular Meeting of January 13, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Ms. Kennedy, and unanimously carried that the Executive Meetings of August 5, August 20 and November 11, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a). The item that was before the Planning, Housing and Development Committee of the Board of Supervisors today regarding Supervisor Kopp's inquiry into the Developer Selection process for Yerba Buena Center has been tabled indefinitely.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Also on today's Planning, Housing and Development calendar was an issue proposed by Supervisor Walker concerning the effect of the Rincon Point-South Beach Redevelopment Project on housing and housing displacement. This item will be held over for one month.
- (c) The closing date for applications to the position of Director of Design and Development was January 16, 1981. Sixty-four responses were received. Staff interviews will be conducted at the end of this month, with Commission interviews scheduled for early February.

NEW BUSINESS

- (a) Resolution No. 22-81 authorizing entering into exclusive negotiations with Bridgmont High School for Parcel 3763-A, southeast corner of Third and Harrison, Yerba Buena Center.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item would be held for one week. There being no objections, it was so ordered.

- (b) Resolution No. 23-81 approving and authorizing execution of an amendment to a contract for Professional services with Judith L. Hopkinson, Consultant, Yerba Buena Center.

Authorization to amend the contract with Judith L. Hopkinson in an amount not to \$10,000 for the Yerba Buena Center Project is recommended. Mr. Hamilton indicated that as the Agency's Director of Development, Ms. Hopkinson was largely responsible for the formulation of the Request for Qualifications (RFQ) and subsequent process for selection of a developer for the Mixed-Use Development. He believed that even though she has left the Agency, her experience in development could contribute to the Agency's program. He recommended amending her contract to extend the contract period until November 30, 1981; change the per hour compensation from \$30 to \$50 effective December 1, 1980 and increase the contract from \$5,000 to \$15,000 and amend the Scope of Services by adding "participation in the negotiations with the selected developer on an on-going basis as determined by the Executive Director."

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-81 BE ADOPTED.

- (c) Resolution No. 24-81 authorizing a contract with the Bayview Hunters Point Joint Housing Committee as the Project Area Committee for Hunters Point and India Basin.

Authorization is requested to renew the Citizen Participation contract with the Bayview/Hunters Point Joint Housing Committee for the Community Development Program year, February 1, 1981 through December 31, 1981. The current contract expires January 31, 1981. Mr. Hamilton indicated that under this contract the Joint Housing Committee (JHC) will continue to provide advice to the Agency in matters pertaining to affirmative action monitoring, developer review and recommendations, planning and programming for the project area activities and selecting candidates for employment with firms being established in India Basin. The proposed budget for this new contract is for \$112,000, which is \$7,000 above the \$105,000 approved by the Board of Supervisors. This increase would of course require

NEW BUSINESS (continued)

approval from the Office of Community Development (OCD). This increase is attributable to an increase of salary for a Community Services Representative of \$3,047 which necessitates an increase in the funds needed for fringe benefits, and an increase by \$2,500 for the contractual services line item to provide legal services in anticipation of the preparation of new bylaws and to provide for clerical services during their secretary's absences. Approval is recommended that this contract in the amount of \$105,000 with an increase of \$7,000 that is subject to OCD approval be approved.

In response to Ms. Blomquist's inquiry, Mr. James Wilson, Project Director, Hunters Point, indicated the Executive Director of the Joint Housing Committee (JHC) is Archie Briggs and that the JHC is reorganizing to perform more effectively. Mr. Claude Carpenter, JHC, indicated his satisfaction with the contract and that they were working on changing the bylaws to increase the number of members and to permit seats for designated interest groups.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-81 BE ADOPTED.

(d) Consideration of office Public Liability Insurance, all projects.

Authorization is requested to pay a premium in the amount of \$1,413 to the Levinson Brothers, Inc. through the National Union Insurance Company for the period February 1, 1981 to February 1, 1982. Mr. Hamilton indicated that this insurance will cover Comprehensive Bodily Injury, Property Damage and Personal Injury at \$1 million each per occurrence for the Central, Hunters Point and Rincon Point-Scuth Beach Offices. Staff solicited proposals from seven brokers and received three quotes, the lowest from the broker Levinson Brothers, Inc. through the National Union Insurance Co. This quote is less than our current annual premium of \$2,723. National has a policyholder's rating of At, which indicates it is excellent, and an XV financial rating that is on the highest point of the scale and indicates a surplus in excess of \$100 million. Because of the low premium, which is believed a result of active competition, staff further recommends authorization to negotiating an extension of this coverage at the same rate for as much as two additional years.

Mrs. Mary Rogers, Western Addition Project Area Committee (WAPAC), indicated her endorsement of Levinson Brothers' Affirmative Action Program.

Mr. Newman indicated that he held an insurance broker's license with Levinson Brothers, Inc. He had no financial interest in the firm; however, he would not participate in this matter.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, THAT AUTHORIZATION BE GIVEN TO PAY A PREMIUM IN THE AMOUNT OF \$1,413 TO THE LEVINSON BROTHERS, INC. THROUGH THE NATIONAL UNION INSURANCE COMPANY FOR THE PERIOD FEBRUARY 1, 1981 TO FEBRUARY 1, 1982 AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. King
Mr. Lee

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Newman

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (e) Resolution No. 25-81 authorizing execution of lease/purchase agreement for copiers for Hunters Point/India Basin and Rincon Point-South Beach Area Offices.

Authorization is requested to enter into a 34-months' lease/purchase agreement with OMI of California to acquire two Sharp 350 copiers for a total cost of \$18,336.24, with a two months' downpayment and 34 monthly payments of \$509.34, for the Hunters Point/India Basin and Rincon Point-South Beach site office. The lease may be terminated at any time without penalty and at the end of the lease period the copiers can be purchased for \$1,000. Mr. Hamilton indicated that the Hunters Point office together with Bayview-Hunters Point Joint Housing Committee has been using a 10-year old 4000 Xerox that requires constant attention and produces poor copy quality. It is proposed to transfer this Xerox to the JHC's office where it will have lighter use. The Rincon Point-South Beach office is currently using a rental machine supplied by OMI and they continue to need a copier with an automatic document feeder. It is recommended that the Agency use the lease/purchase with an option to purchase this equipment.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-81 BE ADOPTED.

- (f) Resolution No. 26-81 authorizing a contract with the Western Addition Project Area Committee as the Project Area Committee for the Western Addition A-2.

Authorization is requested to contract with Western Addition Project Area Committee (WAPAC) for continuation of citizen participation services for the Community Development year, February 1, 1981 through December 31, 1981, in an amount of \$143,771. Mr. Hamilton indicated that this contract will enable WAPAC to continue its role in affirmative action monitoring, developer review and recommendations, planning for revised approach for marketing and development of the Fillmore Commercial Area reviewing financing mechanisms considered for funding rehabilitation and new construction and participation on the Marks-Foran Loan Committee. The budget of \$143,771 has been negotiated with WAPAC and agreed upon. The contract language has undergone several housekeeping changes which include the clarification of the affirmative action language to be consistent with new language in the Land Disposition Agreement's (LDA) provision of a seven-day termination notice in the event of mismanagement of Agency funds or comingling Agency funds with funds from other sources, and a 60-day notice for other breaches of contract. Approval of this contract with WAPAC in an amount not to exceed \$143,771 is recommended.

The following persons spoke recommending against the continuing of the WAPAC contract: George Stewart, M. J. Staymates, Pauline Segal, Western Addition Neighborhood Association (WANA); and Bruce McNair, President, Alamo Square.

NEW BUSINESS (continued)

The speakers expressed concerns about the effectiveness of the WAPAC organization. They particularly stressed concerns that the group was not representative, acted in a discriminating manner, and did not fulfill their obligation to act objectively on behalf of all the community.

The following persons urged the continuation of the WAPAC contract: Benny Stewart, Executive Director, and Mary Rogers, Chairperson, and Melvina Smedley, new member of the Board, WAPAC. These speakers addressed the preceding speakers' concerns and indicated WAPAC's efforts to involve all community interests. They also noted the need to continue the community participation effort outlining the extensive program underway in the project area. In response to Ms. Blomquist's inquiry, Mrs. Rogers indicated that she would consider recommending that the WAPAC Board designate seats on the Board for specific organizations if they were Western Addition A-2 groups.

Mr. Hamilton commented on the historical perspective of the project indicating his belief that WAPAC had performed its function responsibly. He stressed his belief that WAPAC brought views which the Agency needed to consider.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-81 BE ADOPTED.

- (g) Resolution No. 5-81 authorizing the second amendatory agreement to the addendum to the agreement contemplating a negotiated Disposition of Land with Nihonmachi Community Development Corp., and subsequent conveyance to Susumu Seiki and Tsuyako Seiki for Parcel 686-G, northwest corner of Post and Laguna; Western Addition A-2.

Requests your authorization of a second amendatory agreement to extend the Schedule of Performance for the negotiated LDA with the Nihonmachi Community Development Corp. for the parcel allocated to Mr. and Mrs. Sim Seiki. This parcel is located at the northwest corner of Post and Laguna Streets in the Western Addition A-2. In November 1979 the Agency entered into an agreement for this parcel and in July 1980 authorization was given to the First Amendatory Agreement which revised the performance schedule. The developer has been unable to meet the revised schedule and was notified in November 1980 that he had until January 3, 1981 to cure the default; however, a change in the financing market has made this impossible and the developer has requested additional time. Staff recommends an extended performance schedule as follows: submit evidence of financing October 31, 1980 to February 28, 1981; commencement of construction December 30, 1980 to April 30, 1981; and completion of construction December 30, 1981 to April 30, 1982. The developer has been advised that if he does not meet this amended schedule the land price of \$56,250 will have to be reappraised. Mr. Hamilton also recommended approval of a waiver of imposing additional deposits as a condition of the extension.

In response to Mr. Lee's inquiry, Mr. Sim Seiki indicated that he was confident he would have the financing by the end of February. Ms. Blomquist asked if the property was cleared and Mr. Hamilton answered affirmatively. In response to Benny Stewart's inquiry, Mr. Hamilton indicated that the Agency has a strong affirmative action policy and expected this developer to make a good-faith effort working towards the goal of 50 percent of the hours worked going to residents of A-2.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-81 BE ADOPTED.

- (n) Resolution No. 6-81 authorizing second amendatory agreement to the addendum to the agreement contemplating a negotiated Disposition of Land with Nihonmachi Community Development Corp., and subsequent conveyance to H.I.S. for Parcel 686-J(1), east side of Nihonmachi Mall between Post and Sutter, Western Addition A-2.

Authorization is requested of a second amendatory agreement to extend the schedule of performance for the negotiated LDA with the Nihonmachi Community Development Corp. for the parcel allocated to H.I.S. This parcel is located on the east side of the Nihonmachi Mall between Post and Sutter. Mr. Hamilton indicated that on November 28, 1979 the Agency entered into an agreement for this parcel and in July of 1980 authorization was given to the First Amendatory Agreement which revised the performance schedule. H.I.S. has been unable to meet the revised schedule due to the uncertain financing market and staff notified the developer he was in default on November 17, 1980 and at that time the developer was confident he could cure the default by the due date of January 14, 1981. However, the change in the money market has made this impossible and the developer has requested additional time to submit evidence of financing, which will change the performance schedule as follows: submit evidence of financing from November 14, 1980 to February 28, 1981; commence construction from January 12, 1981 to April 30, 1981; and completion of construction from January 12, 1982 to April 30, 1982. The developer has been advised that if he does not meet this amended schedule the land price of \$29,000 will have to be reappraised on or after May 27, 1981. H.I.S. has been diligent in its efforts to commence early construction of the building and approval of the amendment to the Performance Schedule and waiving the imposition of additional deposits as a condition of the extension, is recommended.

At this time, Mr. Glickman excused himself from the meeting at 5:35 p.m.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-81 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED:

January 27, 1981

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1/27/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF JANUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 27th day of January 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President
- Rubin Glickman, Vice President
- Dian Blomquist
- Willie B. Kennedy
- Leroy King
- Melvin D. Lee (arrived at 4:25 p.m.)
- Walter S. Newman

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Linda Hallen, South of Market Coalition; Ernest L. Oliver, Genevine Bayan, Norma Howard, Fillmore Economic Development Corporation (FEDC); Mary Rogers, Benny Stewart, Western Addition Project Area Committee (WAPAC); Isabel Ugat, Jonathan Oliver, Sankley Anderson, San Francisco Coalition; Peter Mendelsohn, John Elberling, TODCO; Henry Crawford, and Ted Frazier, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Kennedy, and unanimously carried that the minutes of the Regular Meetings of May 27, 1980 and January 20, 1981 as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director, Wilbur W. Hamilton, reported to the Commissioners that on January 26, 1981 the Board of Supervisors approved the financial closeout of the Embarcadero/Lower Market project and the application of any surplus funds to other redevelopment project areas.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcel 726-A, southwest corner of Fillmore and O'Farrell Streets, to Fillmore Economic Development Corporation, Western Addition A-2.

Resolution No. 27-81 authorizing execution of agreement for Disposition of Land of private development and other conveyance instruments in connection

NEW BUSINESS (continued)

with sale of Parcel 726-A to the Fillmore Economic Development Corporation, a Nonprofit Corporation, approving the disposition value and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

Authorization is requested to enter into a Land Disposition Agreement (LDA) with the Fillmore Economic Development Corporation (FEDC) for the parcel located at the southwest corner of Fillmore and O'Farrell Streets. Mr. Hamilton indicated that in September, 1980, Exclusive Negotiations with FEDC was granted for the development of a 60,000 square foot commercial/office building. Mr. Hamilton indicated that FEDC has had difficulty in effectively organizing as a development entity; however, it now appears that recent changes in staff and the Board of Directors provides expertise in financing and architecture. FEDC has also resumed discussions with the Economic Development Administration with regard to securing financial support. With these positive actions, FEDC is in a position to proceed with the development and it is now recommended that the Agency enter into an LDA with a Performance Schedule which requires that they submit evidence of financing by March, 1982, commence construction in May, 1982, and complete construction by July, 1983. These are outside dates and the FEDC will make every effort to accelerate this schedule. Mr. Hamilton noted that staff is satisfied that FEDC can proceed. The Western Addition Project Area Committee (WAPAC) also endorses the proposal.

Mrs. Norma Howard, Director of FEDC, indicated the readiness of FEDC to execute the LDA; begin the construction, and expressed her appreciation of the Commissioners' patience in this matter. There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-81 BE ADOPTED.

- (b) Resolution No. 28-81 approving form of First Amendatory Agreement between the Agency and Elizabeth G. Jamerson, with respect to Disposition of Parcel 785-A(1), and authorizing exection thereof; Western Addition A-2.

Authorization is requested for a First Amendatory Agreement to the LDA with Elizabeth G. Jamerson for Parcel 785-A(1), located on the southeast corner of McAllister and Gough Streets in the Western Addition A-2. Mr. Hamilton indicated that this agreement revises the Schedule of Performance in the LDA and adds the provision of Occupancy Priority for commercial rental and lease space. He recalled that in April, 1980 Ms. Jamerson was granted exclusive negotiation rights; however, because the property is located in a fire zone, a variance was required. The developer applied for an alteration permit from the Bureau of Building Inspection in June, 1980 but it was denied. An appeal was then granted by the Appeals Board, but that decision was appealed by the Building of Bureau Building Inspection. That appeal was withdrawn just prior to the new hearing in October, 1980. During this time the developer proceeded with preparation of preliminary plans but could not prepare final construction documents until the variance issue was resolved. Based on this unavoidable delay, the developer requests

NEW BUSINESS (continued)

the Schedule of Performance to be modified to provide for submission of final construction documents from October 5, 1980; Mr. Hamilton noted that originally the date was proposed to be changed to March 5, 1981 and it is now recommended that the date be amended to April 5, 1981; Evidence of Financing from February 14, 1981; Mr. Hamilton noted that originally this date was proposed to be changed to July 14, 1981 and it is now recommended that date be amended to August 14, 1981; and Conveyance of site from May 8, 1981 to November 8, 1981.

Mr. Hamilton indicated that staff recommends approval of this revised Schedule and inclusion of an Occupancy Priority provision in the LDA in accordance with the State Community Redevelopment Law and the Agency Property Owner and Occupant Preference Program for reestablishment in Western Addition A-2 adopted in April, 1978. This provision requires the redeveloper to give priority consideration to rent or lease space to Business Certificate holders who comply with the land use requirements of the Redevelopment Plan; however, the Redeveloper retains the right to make final selection decisions on business mix, rental rates, and terms and conditions, including financial qualifications.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-81 BE ADOPTED.

At this point Mr. Lee arrived at 4:25 p.m.

- (c) Resolution No. 29-81 authorizing an expenditure of \$1,800 from the budget of the Agency of the San Francisco Coalition for accounting services from Jeanpierre Company.

Authorization is requested to expend \$1,800 from the Agency's contract with the San Francisco Coalition for accounting services. Mr. Hamilton indicated that in January, 1978 the Agency entered into a rental agreement with the Coalition for operation of a commercial parking lot on the parcel located on the south side of Mission between Third and Fourth Streets in Yerba Buena Center. Profits received by the Coalition were to be used for job development programs. He noted that staff will not recommend renewal of the Coalition's contract and the parking program will also be terminated. Accounting services, however, were performed by the Jeanpierre Taylor & Co. and payment of the \$1,800 for the services remains outstanding. The firm reviewed all the Coalition's records, preparing related balance sheets. There are insufficient funds to pay for these services from parking profits and the Coalition has agreed to pay this obligation out of contract funds. Such an expenditure requires Commission approval since it is not authorized in the Agency's contract with the Coalition and this approval is recommended.

Ms. Blomquist expressed concern about the Coalition's expenditures of the parking lot income and the \$10,000 shown in the November accounting be provided to her and Mr. Mills, Deputy Executive Director, Community Services, indicated that this would be provided. Mr. Sankley Anderson, manager of the Coalition parking lot, noted that the operation of the lot was returning a good rate of return and urged that it be continued. Mr. Mills indicated that the issue being considered was the payment for services previously rendered.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-81 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 30-81 authorizing travel and related expenses of Wilbur W. Hamilton, Executive Director, and Helen L. Sause, Agency Secretary, to travel to Washington, D.C. to attend the National NAHRO Conference, February 4-11, 1981.

Authorization is requested for Helen L. Sause, Agency Secretary, and myself to travel to Washington, D.C. to attend National NAHRO Committee and Board of Governor meetings and to participate in the Third Annual NAHRO Legislative Conference, February 4-11, 1981. This Conference will deal with topics important to the Agency and provide an opportunity to meet with the newly-appointed HUD officials. In addition to the NAHRO meetings, there will be meetings with HUD staff and the National Endowment for the Arts on specific issues concerning the Agency's programs. Mr. Hamilton - indicated that Ms. Sause will be attending in her capacity as President of the Northern California Chapter of NAHRO and he would be attending in his capacity as Regional President. Both are also members of the National NAHRO Board of Governors. Cost is estimated to be \$1,900 and funds are available.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

Authorizing a two week extension of the 1980 contract with the San Francisco Coalition for Affirmative Action Services in Yerba Buena Center beyond its expiration date of January 31, 1981, at the funding level necessary to cover the expense of maintaining the three persons and the concomitant operational costs of the Skills Bank component of the San Francisco Coalition.

Mr. Hamilton indicated that the contract with the San Francisco Coalition for rendering certain Affirmative Action Services in Yerba Buena Center would expire on January 31, 1981 and the Commission had been previously advised that the staff did not intend to renew that contract. He noted that representatives of the Coalition met with staff last week and with himself today to urge continuation of the portion of the contract which provided a skills bank. They also expressed concern about the need for employment in the South Park area, and the extent to which there would be a continuing vehicle for ensuring employment in that area.

The following persons spoke urging continuation of the Skills Banks: Rena Younger, Jonathan Bonney Oliver, Acting Director of the San Francisco Coalition; Peter Mendelsohn, Lisa Moore, Secretary of Intake and Referral for the San Francisco Coalition; Thomas Loman, Jobs Specialist, Skills Bank, San Francisco Coalition; LaTarvey Evans, Assistant Director, San Francisco Coalition; Benny Stewart, Executive Director, Western Addition Project Area Committee; Mrs. Ballard, Ted Frazier, and Arnold Townsend.

Mr. Hamilton recommended that the part of the San Francisco Coalition which makes up the Skills Bank be continued for two weeks beyond January 31, 1981 to provide an opportunity for staff to analyze the job placement performance.

MOTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE CONTRACT WITH THE SAN FRANCISCO COALITION FOR AFFIRMATIVE ACTION SERVICES IN THE YERBA BUENA CENTER BE EXTENDED FOR TWO WEEKS BEYOND ITS EXPIRATION DATE OF JANUARY 31, 1981 AT THE FUNDING LEVEL NECESSARY TO COVER THE EXPENSE OF THE THREE PERSON SKILLS BANK COMPONENT AND THE CONCOMITANT OPERATIONAL COSTS.

NEW BUSINESS (continued)

President Berk indicated that the meeting would be recessed to the fourth floor conference room for Item 9(e). The meeting recessed at 5:30 p.m.

The meeting reconvened at 5:50 p.m. with the same roll call.

- (e) Workshop regarding developer responses received for Parcel 3751-P, Harrison between Third and Lapu Lapu, a part of Offering No. 9; Yerba Buena Center.

Mr. Hamilton indicated that the purpose of this workshop is to present the development responses for Parcel 3751-P of Offering No. 9, located at the corner of Lapu Lapu and Harrison between Third and Fourth Streets in Yerba Buena Center. Mr. Hamilton indicated that at a future meeting staff will present its recommendation for developer selection.

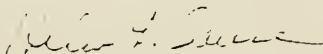
Responses were received from two developers for Parcel 3751-P: one from Hudley Hardware and one from National Maritime Union. Both of these proposals were present and described by Richard Kono, Acting Development Director, and Edmund Ong, Chief of Architecture. Joan Burns, Bolles Associates; John Elberling, TODCO; and Linda Hallen, South of Market Coalition spoke regarding the National Maritime Union's proposal.

Concerns were expressed by the Commission which included the necessity of granting a parking variance for the National Maritime Union proposal, the exterior design and lot coverage. They also expressed concern that the Hudley Hardware proposal did not appear to maximize the development potential of the parcel. Both developers indicated they would review their proposal and in response to these concerns.

ADJOURNMENT

It was moved by Ms. Kennedy, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

June 23, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF FEBRUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of February 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call, the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Willie B. Kennedy (joined the meeting at 4:11 p.m.)
Leroy King
Melvin D. Lee
Walter S. Newman

and the following was absent:

None

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Percy Smith, Lucy M. Smith, Pael E. Smith, Pamela Haber, Marie K. Brooks, Robert Haber, Tom Haber, Adam Shephard, Carol Sause, Kristina Detjen, Bill Hautt, MaryAnne Cunningham, Claire S. Pilcher, Bridgemont High School; Louie Gonzalez, Safeway; Linda Hallen, South of Market Coalition; Mary Rogers, Western Addition Project Area Committee (WAPAC); Calvin Yee, Calvin and Una Yee; J.T. Oldnow, OK Associates; Kendall Young, O & Y Associates; Bruce Barales, W. G. Barales & Son, Inc.; E. M. Berger, Citizens Savings and Loan Association, Inc.; A. Andrews, Joint Housing Committee; Richard Brewer, Brewer/Fraser; and Christopher Layton, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner; and Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of October 14, 1980, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the executive meeting of July 29, 1980, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcel 688-A, 1529-31 Sutter Street, to Kimochi, Inc., Western Addition A-2.

Resolution No. 31-81 authorizing execution of Agreement for Disposition of Land with Kimochi, Inc. for Parcel 688-A to Kimochi, Inc., approving the disposition value and ratifying Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the conveyance of Parcel 688-A, 1529-31 Sutter Street to Kimochi, Inc., Western Addition A-2.

NEW BUSINESS (continued)

Authorization is requested to enter into a Land Disposition Agreement with Kimochi, Inc. for a 6,875 square foot parcel, which was the result of the clearance of the buildings at 1529-31 Sutter Street. Mr. Hamilton indicated that the Commission authorized exclusive negotiations with Kimochi, Inc. on June 3, 1980 to construct a "board and care" facility for the elderly. Originally Kimochi had been designated to rehabilitate the three unit structure at 1734-38 Laguna Street and the adjacent lot; however, State licensing requirements precluded proceeding with the development because structures used to care for the elderly were not permitted in a wood-frame over two stories high. Kimochi and staff then considered the parcel on Sutter Street, which is a desired use to serve the community. This proposal also has mitigated the objections to the clearing of the Sutter Street buildings which were infeasible to rehabilitate. Kimochi estimates a construction budget of approximately \$1 million and has raised \$370,000 towards that goal with a tentative commitment from California First Bank and Sumitomo Bank of California for \$550,000. The schedule of performance is: require submission of evidence of financing by February 15, 1982; Commencement of construction by April 15, 1982; and Completion of construction a year later. These dates are outside dates and Kimochi will make every effort to accelerate those dates. Both the Western Addition Project Area Committee (WAPAC) and the Nihonmachi Community Development Corporation have approved Kimochi's proposal.

Steve Nakajo, Executive Director of Kimochi, Inc., spoke on behalf of Kimochi and introduced Sandy Oyera as the Coordinator of the Board and Care Facility. There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-81 BE ADOPTED.

- (b) Resolution No. 32-81 approving extension of Exclusive Negotiations with Safeway Stores, Inc. for Parcels 725-A, B, C, and D and 708-A located in the blocks bounded by Geary Boulevard, Webster, Ellis and Fillmore Streets; Western Addition A-2.

Authorization is requested to extend exclusive negotiations with Safeway Stores, Inc. for 60 days until April 9, 1981 for development of parcels in the Fillmore Center located in the blocks bounded by Geary Boulevard, Webster, Ellis and Fillmore Streets in the Western Addition A-2. Mr. Hamilton recalled that Exclusive Negotiations were authorized on September 11, 1980 and were extended from December 9, 1980 to February 8, 1981. Staff recommends an additional 60 days to complete negotiations and coordinate with the requirements for the Urban Development Action Grant (UDAG). Staff will also hold a public workshop on the agreement with Safeway during this extension period.

Mrs. Mary Rogers, Western Addition Project Area Committee (WAPAC), expressed concern that the Safeway store representatives were no longer advertising in minority-owned newspapers and Nicholas Dempsey of Safeway requested Louie Gonzales, Public Affairs at Safeway, to comment on this matter. Mr. Gonzales indicated he had met with Dr. Goodlett on January 16 and agreed to advertise in his newspaper. Safeway had initially withdrawn its advertising because of line rates but they now have an agreement with

NEW BUSINESS (continued)

Dr. Goodlett and will again be advertising in the Sun Reporter.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-81 BE ADOPTED.

- (c) Resolution No. 33-81 authorizing the approval of an amendment to the Agreement with Eve Holman Magland in connection with the internal move of Pearl Market; Western Addition A-2

Approval is requested to amend the agreement with Eve Holman Magland in an amount not to exceed \$8,389. Mr. Hamilton indicated that Mrs. Magland is an owner-participant undertaking rehabilitation of her building at 1900 Eddy Street in the Western Addition A-2. The Agency's agreement with her provides for the temporary internal move of her commercial tenant, The Pearl Market. On October 28, 1980, the Commission authorized an expenditure of \$31,171 for the temporary move of this market. The contractor had submitted an estimate of an additional \$11,805 for commercial rehabilitation if the residential work was completed prior to access to perform the commercial work. It became necessary for the contractor to return after completion of the residential rehabilitation because of the difficulty in negotiating the move of Pearl Market. Staff was successful in negotiating the additional cost from \$11,805 to \$8,389.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-81 BE ADOPTED.

- (d) Resolution No. 34-81 approving a contract for Professional Services with Real Estate Research Corporation; Rincon Point-South Beach.
- (e) Resolution No. 35-81 approving a contract for Professional Services with Appraisal Research Company; Rincon Point-South Beach.

Authorization is requested of two agreements for appraisal services for the Rincon Point-South Beach Project with Appraisal Research Company and Real Estate Research Corporation in an amount not to exceed \$48,600 for each agreement. Mr. Hamilton indicated that these contracts will provide appraisals of existing use value covering property owned by the State of California and held in trust by the City for Port use and appraisal of the reuse value of property which may be sold or leased by the Agency. The agreements also provide for additional appraisal reports as needed to acquire property and for related analysis and consultations in connection with the negotiation of the Port Lease and prospective sublessees. These appraisal consultants have been selected because of their expertise in analyzing income properties and property interest and particular experience in analyzing port, marina, and central city commercial property development. This selection has also been concurred in by Port staff. The appraisers have presented affirmative action statements in accordance with Agency practice.

Ms. Blomquist inquired why it was necessary to obtain two appraisals and Mr. Hamilton responded that HUD requires this because of the variation in appraisals it is the most effective method to provide valid values.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-81 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 36-81 awarding Site Improvement Contract No. 30-B to O. C. Jones and Sons, Inc.; Hunters Point

Redmond Kernan, Deputy Executive Director, indicated that this contract included a stairway which serves some cul-de-sacs in the Phase III area and the community has expressed a concern that the stairway not be constructed because it might cause a security problem and staff needs to evaluate that as well as the contractors adverse reaction to the possible removal of that item from the contract, as it is a significant portion of the contract. Staff needs additional time to evaluate both the need for the stairway and whether to recommend award of the contract or to seek new bids. It is therefore requested that action on this item be delayed for one week.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item would be held for one week. There being no objection, it was so ordered.

- (g) Resolution No. 37-81 authorizing approval of a Rental Agreement with O & Y Equities, Inc. for the use of a portion of the Agency-owned building at 222-44 Jessie Street, Block 3706, Lot 22, Yerba Buena Center.

Authorization is requested to enter into a rental agreement with O & Y Equities, Inc. for use of a portion of the Jessie Street Substation for their offices, on a month-to-month basis. Mr. Hamilton indicated that there will be no cost to the Agency-owned buildings, but since this building is on the National Historic Register, it has been calendared for formal consideration. The O & Y development team has been selected for exclusive negotiations for the YBC gardens program. They have requested use of 7,600 square feet of space in the easterly portion of the building to use during the negotiating period which is expected to conclude in September 1981. Since the background information was provided O & Y has also requested use of 2,000 square feet of additional space in the building for an exhibit area as well as to provide space for the Agency's use. The cost of renovating this area is over \$16,000 and in return for the use of the space, Mr. Hamilton recommended that the developer only be charged for the first month at a rate of \$608 and not be charged for the use of the Substation thereafter. This building will ultimately be conveyed as part of the Central Blocks development. Staff believes that this interim use is essential in heightening public perception that YBC is well underway and the presence of O & Y in the project will make a positive statement concerning YBC.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-81 BE ADOPTED.

- (h) Resolution No. 38-81 approving the execution of a Rental Agreement with Metropolitan Parking Corporation for the interim use of cleared, Agency-owned land in Yerba Buena Center

Authorization is requested to execute a lease agreement with Metropolitan Parking Corp. to operate a commercial parking lot for 60 days on the former site leased by the San Francisco Coalition on a monthly basis at a rate of \$3,584 per month. This site is located between Third and Fourth Streets on the south side of Mission Street. Mr. Hamilton indicated that during this

NEW BUSINESS (continued)

60-day lease, staff will advertise the lot for public bid and calendar the high bid for Commission consideration. During the bidding process staff believes the site should be used as a commercial parking lot to generate income to the Agency. Metropolitan is recommended because they have been on this site with the Coalition training program and their ability to activate the lot immediately.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

Resolution No. 39-81 authorizing an extension from February 13, 1981 to February 20, 1981 of the 1980 contract with the San Francisco Coalition for Affirmative Action Services, Yerba Buena Center.

Mr. Hamilton requested authorization to extend the portion of the contract with the San Francisco Coalition which would enable the Skills Bank facility to operate until close of business February 20, 1981. He indicated that at the meeting of January 27, 1981 the Commission had authorized a two week extension from January 31, 1981 in order to continue the services of the three-person Skills Bank. He recommended the extension to provide additional time for the Skills Bank personnel to compile information documenting their success in securing jobs and for the Agency staff to review that submission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-81 BE ADOPTED.

- (i) Resolution No. 22-81 authorization to enter into exclusive negotiations with Bridgmont High School for Parcel 3763-A, southeast corner of Third and Harrison Streets; Yerba Buena Center

Authorization is requested to enter into exclusive negotiations for 180 days with Bridgmont High School for the parcel located on the southeast corner of Third and Harrison in Yerba Buena Center. Mr. Hamilton recalled that this matter was discussed at the meeting of August 5, 1980 when staff recommendation was not acted on due to lack of a motion. He indicated that Bridgmont proposes to construct a 14,000 square foot educational facility plus exterior recreational space and parking for about 30 cars. At the present time the school is located in the Cogswell College facility on California Street. Because the school draws its student body from all over San Francisco, it wants to maintain a "downtown" location. Development costs are estimated at \$2.5 million of which 50 percent will be raised by donations, one local foundation has presently committed a minimum of \$200,000 for the new campus, and the remaining 50 percent will be obtained from lending institutions. Bridgmont High has a policy of community involvement and currently has programs that include senior citizens in a variety of programs including student tutoring. Mr. Hamilton stressed his belief that this positive involvement plus the potential availability of the school's facilities to the community would make it a good neighbor to the adjacent housing. Meetings with community groups have been held and the school's acceptability has been indicated. In addition, Bridgmont has received a positive endorsement from the South of Market Coalition. The high school sets a high scholastic and behavior standard for its students and staff believes it could be very a

NEW BUSINESS (continued)

complementary addition for the active uses the Agency hopes to achieve in YBC. Staff recommends approval of Exclusive Negotiations with Bridgemont High School for 180 days during which schematic designs will be prepared and a detailed schedule of events will be agreed upon.

The following persons spoke on behalf of Bridgemont High School and urged the Commission adopt this resolution granting them exclusive negotiating rights for Parcel 3763-A: Dr. William Hautt, President of Bridgemont; Adam Shephard, Kristina Detjen, Bridgemont student; Rev. William Turner; Claire Pilcher; Dr. Mark Lee, President, Simpson College; Marie Brooks, and Linda Hallen, South of Market Coalition.

Mr. Newman expressed concern about the appropriateness of the site for school use. Commissioners Blomquist and Newman expressed concern about the Agency obtaining the highest and best use of the land and indicated that if the property was granted to Bridgemont it would remain in school use. They requested that the Land Disposition Agreement (LDA) be worded to assure that the property would be restricted to use as a school and Mr. Leo Borregard, Agency General Counsel indicated that during the negotiation period such language could be worked out. He noted that it would have to be done carefully in order not to impair financing of the building. Mr. Borregard stated that the LDA would be brought to the Commission for approval.

Mr. Newman inquired about other sites explored by Bridgemont and Dr. Hautt emphasized the school's objective of remaining in the downtown area and commented that they had looked at approximately 50 sites. Mr. Newman was also concerned that the site would limit the expansion of the school and Dr. Hautt expressed the school's philosophy of remaining small enough to provide a quality and individualized education. He noted that they did not intend to exceed 350-400 students. In response to Mr. Newman's questions, Dr. Hautt indicated that most of the students now reached the school by public transportation.

In response to Mr. Glickman's inquiry, Mr. John Elberling, TODCO, indicated that the school would be a significant addition to the South of Market area.

After extensive consideration of the matter the Commissioners expressed their support for the school noting their belief it would be an asset in achieving diverse uses in the project.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-81 BE ADOPTED.

Mr. Glickman indicated that due to a potential conflict he would not be participating in the Workshop, Item 9(j).

President Berk indicated that the meeting would be recessed at 6:10 p.m.

The meeting reconvened at 6:30 p.m. with the same roll call. Mr. Glickman had previously excused himself from the meeting.

NEW BUSINESS (continued)

- (j) Workshop - Offering No. 9, Parcel 3752-A, southwest corner of Fourth and Folsom Streets, Yerba Buena Center.

Mr. Hamilton indicated that the purpose of the workshop is to present the development responses for Parcel 3752-A of Offering No. 9 which is located on the southwest corner of Fourth and Folsom Streets in Yerba Buena Center. At a future Agency meeting, staff will present its recommendation for developer selection to you. The following nine proposals were received for Parcel 3752-A of Offering No. 9: Avedia A. Anitablian and Dr. Housep Fidanian; Citizens Savings and Loan Association and Albert-Nobel Company (Joint Venturers); Yerba Buena Project Associates; Calvin and Una Yee; Chris Layton; U. S. Import and Export Corporation; Gordon Chong and Associates, Inc.; W. Barnes & Son Co., Inc.; Wayne Alba and Keystone Associates.

Mr. Michael Mann, Business Development Specialist, and Walter Yanagita, Architect, described each proposal. Messrs. Dennis Noble and Eugene Berger of the Citizens Savings and Loan proposal spoke on their behalf. Mr. Hamilton indicated that staff would complete analysis of the proposals and would calendar a recommendation for action in about three weeks.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the meeting adjourn. The meeting adjourned at 7:10 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVAL

August 4, 1981

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MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF
SAN FRANCISCO HELD ON THE
10TH DAY OF FEBRUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed session at 939 Ellis Street in the City of San Francisco, California at 5:17 p.m. on the 10th day of February 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Leroy King
Walter S. Newman

APR 17 1982

and the following were absent:

Willie B. Kennedy
Melvin D. Lee

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; James E. Nybakken, Personnel Officer; and Patsy R. Oswald, Acting Agency Secretary.

NEW BUSINESS

- (a) Authorizing payment of travel expenses for up to five out-of-area candidates for the position of Director of Design and Development.

Mr. Hamilton indicated that out of 65 responses received for the position of Director of Design and Development, staff was prepared to suggest that five of those responses were sufficiently qualified to bring the candidates to San Francisco for interviews. Mr. Nybakken noted the five candidates recommended are: Raquel Ramati from New York; Stanley Sokolove from Columbia, Maryland; Phillip Whitmore from Tuscon, Arizona; Robert Sangster from Memphis, Tennessee; and John Thompson from Albany, New York.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT TRAVEL EXPENSES NOT EXCEEDING \$4,500 BE AUTHORIZED FOR FIVE CANDIDATES TO TRAVEL TO SAN FRANCISCO TO BE INTERVIEWED FOR THE POSITION OF DIRECTOR OF DESIGN AND DEVELOPMENT.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the meeting adjourn. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

Patsy R. Oswald
Acting Secretary



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2/10/1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF FEBRUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of February, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Leroy King (arrived at 4:35 p.m.)
Walter S. Newman

and the following were absent:

Willie B. Kennedy
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were A. Andrews, Joint Housing Committee; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Margaret Brady, Parking Authority; and Nolan Frank, T. V. Smith and Melvin Hayes, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) During his recent trip to Washington discussions were held with Congressional Subcommittee Representatives and HUD staff on a report from the Director of OMB, David Stockman. This report recommended that the President undertake actions with major implications for the Agency's programs and all others carrying out community development programs. The recommendations include termination of UDAG, the programs under Sections 108, 701, and 312 and significantly reduced funding for community development with this program ultimately to be phased out. The meetings with Congressional staff and the subcommittee chairman, Representative Gonzales and Senator Lugar indicates that there may be some support from the Republican leadership on some of these issues. Mr. Hamilton stressed his belief that fundamentally the Administration is not supportive of the community revitalization programs. He noted that staff will be working through the professional organizations, especially NAHRO, as well as through other public interest groups to retain these tools and adequate appropriations to carry out the programs. He indicated that he would keep the Commission advised.

DEPOSITORY ITEM
APR 17 1992
SAN FRANCISCO
PUBLIC LIBRARY

REPORT OF THE EXECUTIVE DIRECTOR (continued)

In reply to Mr. Glickman's inquiry about the UDAG Program, Mr. Hamilton indicated that, as a "worst case" the existing UDAG application could be terminated since it was not executed and could not be considered a binding legal contract. He noted that the pending \$2.5 Million UDAG application is separate from the Agency's Block Grant funds.

UNFINISHED BUSINESS

- (a) Resolution No. 36-81, awarding Site Improvement Contract No. 30-B to O. C. Jones and Sons, Inc., Hunters Point.

Authorization is requested to award Site Improvement Contract No. 30-B to O. C. Jones & Sons in the amount of \$576,950. This contract will provide for construction of utilities and street improvements in Site S-4 and erosion control, landscaping, irrigation and related work in Sites S-3, S-4 and S-5 in Phase III of Hunters Point. Four bids were received on January 22, 1981 with O. C. Jones the low bidder and 18 percent below the staff estimate. This contractor is well established and has satisfactorily performed several site improvement contracts for the Agency. The firm's affirmative action and safety programs are satisfactory.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-81 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 40-81, authorizing extension of exclusive negotiations with Nolan Frank for Parcel 1100-T, northwest corner of Divisadero and Ellis, Western Addition A-2.

Authorization is requested to extend exclusive negotiations with Nolan Frank for 120 days until June 9, 1981 for development of Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. Exclusive Negotiations were granted in September 1980, and extended on December 9 for 60 days, to provide an opportunity to review Mr. Frank's revised proposal. Mr. Frank has also been granted exclusive negotiations on two parcels in the Fillmore Center, one parcel was to be developed for condominiums with proceeds to be applied to the development of the rental units on the other parcel. Mr. Frank determined that the proposed condominium development did not provide sufficient capital to meet the cash requirements for the development of rental units. He wishes to revise his proposal, which is to develop Parcel 731-B as 46 condominiums with 30,625 square feet of office space and 10,000 square feet of commercial space and Parcel 1100-T to be developed as 15 market-rate rentals, with 1,950 square feet of commercial space. The projected net proceeds from the sale of the condominiums is substantial and sufficient to assist in subsidizing the rental units. Western Addition Project Area Committee (WAPAC) has indicated its support for the proposal. It is anticipated that

NEW BUSINESS (continued)

the Land Disposition Agreement (LDA) for the condominiums will be scheduled for Commission consideration on March 17, 1981 and the LDA for the rental development approximately 90 days after that.

Mr. King arrived at this time, 4:35 p.m.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-81 BE ADOPTED.

- (b) Resolution No. 41-81, authorizing exclusive negotiations with Gordon Reese for a lot within Site S-4, Whitney Young Circle on Hunters Point Hill, Phase III, Hunters Point.
- (c) Resolution No. 42-81, authorizing exclusive negotiations with Wedrell and Gena James for a lot within Site S-4, Whitney Young Circle on Hunters Point Hill, Phase III, Hunters Point.
- (d) Resolution No. 43-81, authorizing exclusive negotiations with Melvin J. Hayes for a lot within Site S-4, Whitney Young Circle on Hunters Point Hill, Phase III, Hunters Point.

Authorization is requested to enter into Exclusive Negotiations for 90 days with Gordon Reese, Wedrell and Gena James, and Melvin J. Hayes for lots within Site S-4 in Phase III of Hunters Point for development of single family homes. At the meeting of December 16, 1980, the Commission authorized entering into exclusive negotiations with 16 developers for construction of single family homes within Site S-4. It was established at that time that if any of the original selected developers withdrew that staff would proceed with the next qualified developers. In this instance three of the original developers elected not to proceed and the next qualified developers are those recommended for consideration.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NOS. 41-81, 42-81 and 43-81 BE ADOPTED.

- (e) Resolution No. 44-81, authorizing the utilization of the Agency's Property Owner and Occupant Preference Program, Bayview Industrial Triangle.

Authorization is requested to implement use of the Agency's Certificate of Preference Program in the Bayview Industrial Triangle. The Agency's program is based on a provision of the Community Redevelopment Law and has been found to be the most feasible and equitable method of administering the program which gives displaced owners and residential and business occupants reasonable preference to return to the project area. Residential displacees are given a wider latitude as they have priority over non-certificate holders in other redevelopment project areas, as well as the one from which they were displaced. The Certificate of Preference Program recommended for use was approved by the

NEW BUSINESS (continued)

Commission on April 18, 1978 and has since been amended. Bayview Industrial Triangle became a redevelopment project on July 3, 1980. Since then a staff survey has identified 56 residents and 51 businesses in that area. It is anticipated that a significant number of residents and some business firms will be required to vacate permanently. In order to provide certificate rights to these displacees, Commission authorization is requested to use this certificate program.

In reply to Ms. Blomquist's inquiry, Mr. James Wilson, Area Director, Hunters Point, indicated that the Bayview Hunters Point Joint Housing Committee was not the Project Area Committee for this area, but there is a Citizens Advisory Group and they have indicated their approval.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-81 BE ADOPTED.

- (f) Resolution No. 45-81, authorizing a Rental Agreement with Williams and Burrows Contractors, Inc. for use of the parcel located at the northeast corner of Fourth and Minna Streets for use as a construction yard and employee parking, Yerba Buena Center.

Authorization is requested to enter into a rental agreement with Williams and Burrows Contractors, Inc. for use of a 15,000 square foot parcel located on the northwest corner of Minna and Fourth Streets in Yerba Buena Center. This parcel will be used as a construction yard, and employee parking at a rental rate of \$150 per month while this contractor is constructing Woolf House II for approximately 15 months.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-81 BE ADOPTED.

- (g) Resolution No. 46-81, authorizing a contract with Montgomery Elevator Company for installation of an emergency fire control system in two elevators at 693 Mission Street, Yerba Buena Center.

Authorization is requested to execute a contract for the Montgomery Elevator Company in an amount not to exceed \$18,989. This will provide for the installation of an emergency fire control system in two automatic elevators at 693 Mission Street in Yerba Buena Center. This is a nine-story building containing 86 offices and commercial space on the ground floor, which are occupied by nearly a dozen business, professional and non-profit organizations. Though the elevators have been well maintained and are in good mechanical condition, they do not meet present safety standards for operation in the event of a fire or other emergency that is required by the California Division of Industrial Safety's Administrative Code. This property is not yet planned for clearance and immediate development, therefore installation of this system is in the Agency's best interest as it would permit the building to remain occupied until the site is offered for development. Montgomery Elevator Company's

NEW BUSINESS (continued)

bid was the second lowest received. Pacific Elevator Company was the lowest bid received, but the did not include all required documentation and their bid was therefore unacceptable.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-81 BE ADOPTED.

- (h) Resolution No. 47-81, authorizing an extension of exclusive negotiations with the Parking Authority for Parcel 3735-D, northwest corner of Third and Clementina, Yerba Buena Center.

Authorization is requested to extend Exclusive Negotiations for 120 days to June 9, 1981 with the Parking Authority for the parcel located on the northwest corner of Third and Clementina Streets. The Parking Authority plans to develop a public parking garage for the Moscone Convention Center. Exclusive Negotiations were granted on December 19, 1978, with subsequent extensions, the last one expiring today. A draft LDA has been submitted to the Parking Authority, but due to the loss of the City's bond rating they are unable to provide a time schedule leading to start of construction and are now requesting this extension so their Attorneys and the City Attorney can prepare a Schedule of Performance and go forward with the Sale of the Bonds. It is anticipated the LDA will be finalized and the City's Bond rating established during this 120 day extension.

Ms. Margaret Brady, Director, San Francisco Parking Authority indicated that plans and specifications were in progress and they should be completed within thirty to forty days.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 48-81, authorizing approval of modification, consent and estoppel agreement between the Redevelopment Agency, G & G Martco and the First National Bank of Boston, and authorizing the Executive Director to enter into same on behalf of the Redevelopment Agency in connection with the Yerba Buena Center.

After Mr. Leo Borregard, Agency General Counsel introduced the item, Mr. Glickman indicated that he would like this item held until the developer was able to attend the meeting.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner, that this item would be continued for one week. There being no objection it was so ordered.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. King and unanimously carried that the meeting be adjourned to a closed session on personnel. The meeting adjourned at 5:15 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

ST
R35
#4
2/17/81
= REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF FEBRUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 17th day of February 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Willie B. Kennedy
Leroy King
Melvin D. Lee
Walter S. Newman

DEPOSITORY ITEM

APR 17 1992

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and the following was absent:

None

The President declared a quorum present.

Edmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were M.J. Staymates, Western Addition Neighborhood Association (WANA); Charles Blagburn, Blagburn & Blagburn; Tora Poeter, Poeter, Hallinan, Stepanian; Mary Rogers, Western Addition Project Area Committee (WAPAC); Erik Ruppe, Yerba Buena West; Lawrence Feldman, & G Martco; Benny Stewart, WAPAC; Jonathon B. Oliver, LaTarvey Evans, and Lisa Moore, San Francisco Coalition Skills Bank; and Eleanor and Arthur Durgin, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Wilbur Hamilton has had minor surgery and is resting comfortably. He will be back in the office next week.
- (b) At the meeting of January 27 a presentation was made to the Commission by representatives and supporters of the Skills Bank component of the San Francisco Coalition. At that time it was requested that the three persons operating the Skills Bank be allowed to continue after the Coalition contract expired on January 31, 1981 to give them time to demonstrate the successful job placements of the Skills Bank during 1980. At that time a two-week extension was granted with an additional week approved on February 3, extending the contract until February 20, 1981. Mr. Kernan noted that staff has been provided two reports from the Skills Bank which indicated that 300 persons had been interviewed and referred to jobs with documented placements of 24. This is not an effective level of placement and staff recommends that the contract be allowed to expire as of February 20, 1981. In addition to the low job placement record, other factors influenced the recommendation including the lack of an administrative structure to supervise and manage the Skills Bank. This function has been performed for the past three weeks by Agency staff and it is cumbersome and time-consuming. The entire affirmative action program for Yerba Buena Center needs review and a comprehensive, unified approach developed. This will be brought back to you in the near future.

The following persons from the Skills Bank component of the San Francisco Coalition spoke and urged the Commission not let the contract expire so they could continue to work and document job placements; Jonathon B. Oliver, Acting Executive Director; LaTarvey Evans, Acting Assistant Executive Director; and Lisa Moore, Secretary. In addition, Benny Stewart, Executive Director, WAPAC, spoke on behalf of continuing the Skills Bank. Mr. Kernan noted that no action was required on this item. The Commissioners urged that the new plan for insuring job placements in YBC be brought back to the Commission as soon as possible.

UNFINISHED BUSINESS

- (a) Resolution No. 48-81 authorizing approval of Modification, Consent and Estoppel Agreement between the Redevelopment Agency of the City and County of San Francisco, G & G Martco and the First National Bank of Boston, and authorizing the Executive Director to enter into same on behalf of the Redevelopment Agency in connection with the Yerba Buena Center Project Area.

Mr. Leo Borregard, Agency General Counsel, indicated that in November 1979 the Agency entered into a Land Disposition Agreement with G & G Martco, which was amended on June 13, 1980. The developer has applied to the First National Bank of Boston for a loan to finance construction upon the site to be developed. The developer's lender is willing to make this loan, conditioned upon the execution of the terms and covenants set forth in the Modification, Consent and Estoppel Agreement. The Commission was now being requested to authorize the Executive Director to execute the Modification, Consent and Estoppel Agreement between the Agency, G & G Martco and the First National Bank of Boston.

Mr. Borregard summarized the provisions of the agreement and Mr. Newman suggested that an amendment be made to Exhibit "A" to make any proposed changes in parking and parking access and in Agency approved exterior color, exterior materials, landscaping and open space treatment and fine arts, also subject to further Agency approval. Mr. Borregard indicated that this would be done.

Ms. Blomquist inquired about the provisions in the LDA which permitted office use and Mr. Borregard read the Sections which allowed substitution if the developer cannot obtain leases for the gift and gourmet uses. He noted that the developer has made extensive efforts to obtain the gift and gourmet leases and a report on these has been forwarded to the Commission. Mr. Glickman expressed concern that this type of lease be pursued with diligence and be thoroughly documented. In response to Mr. Glickman's inquiry, Mr. Feldman indicated that he had presently leased 60,000 square feet of space for gift and gourmet uses and presently had no office space leased. He stressed that he wanted the building to be a gift and gourmet mart and had a national campaign underway to obtain leases.

Mr. Lawrence Feldman, G & G Martco, was in attendance to speak on behalf of his development. In response to Ms. Blomquist's inquiries he indicated that he intended to continue trying to lease the building for gift and gourmet market uses. He currently had leased 62,000 square feet for gift and gourmet uses of the 268,000 useable square feet. He reiterated that he had not leased any space for office uses.

In response to Ms. Blomquist's inquiries, Mr. Borregard indicated that the Land Disposition Agreement and the First National Bank of Boston Agreement could be related.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-81 BE ADOPTED WITH THE FOLLOWING AMENDMENT: "AMENDMENTS TO EXHIBIT 'A' BE INCLUDED TO MAKE PARKING AND PARKING ACCESS AND ANY PROPOSED CHANGES IN AGENCY APPROVED EXTERIOR COLOR, EXTERIOR MATERIALS, LANDSCAPING AND OPEN SPACE TREATMENT AND FINE ARTS, SUBJECT TO FURTHER AGENCY APPROVAL".

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Owner Participation Agreement including sale of Disposition Parcel 743-E, south side of Eddy between Van Ness and Franklin, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the Owner Participation Agreement including sale of Disposition Parcel 743-E, south side of Eddy between Van Ness and Franklin, Western Addition A-2.

Ms. Mary Rogers, Chair WAPAC, inquired if the land could be used by the public. Ms. Tora Poeters, a partner of 819 Eddy Street, indicated it was too narrow for any use and would only provide space for air and light.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Authorization is requested to enter into an Owner Participation Agreement and Declaration of Restrictions for rehabilitation of 819 Eddy Street and sale of Parcel 743-E, which is a strip of land 5 feet by 120 feet adjacent to and westerly of the existing property. Mr. Kernan indicated that this three-story wood-frame structure, built in 1881, is now used as law offices by the present owners, Tora N. Poeter, Terence Hallinan, Brian Rohan, and Michael Stepanian. Last year extensive refurbishing and rehabilitation were undertaken at an approximate cost of \$125,000, financed through private sources. The purchase of Parcel 743-E is needed to complete the developer's owner participation obligations. The price of the parcel is \$4,200 and it will be used to provide for light and air as there are existing windows on the westerly facade. Staff recommends approval of the Owner Participation Agreement, Declaration of Restrictions, and sale of Parcel 743-E to the owners of 819 Eddy Street.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED APPROVAL BE GRANTED TO THE OWNER PARTICIPATION AGREEMENT INCLUDING SALE OF DISPOSITION PARCEL 743-E, SOUTH SIDE OF EDDY BETWEEN VAN NESS AND FRANKLIN, WESTERN ADDITION A-2.

- (b) Resolution No. 50-81 granting to Bryant Brinkley a conditional extension of Exclusive Negotiating Rights for Parcel 684-D(2), 1718-22 Fillmore Street, Western Addition A-2.

Authorization is requested to grant a final extension of exclusive negotiating rights to Bryant Brinkley to purchase the building at 1718-1722 Fillmore Street in Victorian Square. Mr. Kernan indicated that exclusive negotiations were first granted in December 1979, and subsequently extended, primarily due to the difficulties of obtaining financing. The most recent extension contained a provision that should Mr. Brinkley not provide firm evidence of financing by

NEW BUSINESS (continued)

December 29, 1980, his negotiating rights would expire on that date. Though Mr. Brinkley did not meet that requirement, on January 23, 1981 he presented staff with a plan for obtaining the necessary equity. Staff believes that due to Mr. Brinkley's continued diligence and perseverance in seeking the funds it is appropriate to extend his negotiating rights through April 30, which is the date he has stated he can provide the last portion of cash needed to purchase the building. If Mr. Brinkley is successful in raising the \$56,400 cash needed, a Marks-Foran loan of \$125,000 will be made to complete the financing. This resolution to extend exclusive negotiating right also provides for termination if Mr. Brinkley fails to meet any of the scheduled deposit deadlines.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED TO ADOPT RESOLUTION NO. 50-81.

- (c) Resolution No. 51-81 granting to Charles and Linda Blagburn a 30-day extension of Exclusive Negotiating Rights for Parcel 684-D(1), 1724-28 Fillmore Street; Western Addition A-2.

Authorization is requested for a 30-day extension of exclusive negotiating rights for Charles and Linda Blagburn for purchase of the building at 1724-28 Fillmore Street in Victorian Square. Mr. Kernan noted that exclusive negotiations were first granted in January 1980 with subsequent extensions to allow the Blagburns time to complete arrangements for financing the purchase. As they plan to use both of the units in the building for commercial purposes the Marks-Foran loan will be limited to \$90,000 and the balance of \$79,400 is needed to complete the purchase. At this time they are working with Asian, Inc. to put together a \$45,000 SBA loan package and have also made application to private lenders as an alternate source. They also have cash available to cover the \$34,600 needed beyond Marks-Foran loan and SBA financing. Staff, encouraged by their efforts and liquid assets, recommends a 30-day extension with the provision that negotiations will terminate if evidence of financing is not received during that time.

Ms. M. J. Staymates, Director, Western Addition Neighborhood Association, expressed concern about having the properties off the tax rolls and spoke against giving extensions to any of the proposed purchasers of Victorian Square. She urged that the properties be publicly offered. She also expressed the belief that the properties were being offered at preferential prices. Mr. Kernan noted that the price of the properties had been established by independent appraisers and that the Agency was also concerned with getting them into private ownership as soon as possible. He believed that the recommended extension was the best method at this point to accomplish that goal.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED TO ADOPT RESOLUTION NO. 51-81.

- (d) Resolution No. 52-81 granting to Tony Taylor a 30-day extension of Exclusive Negotiating Rights for Parcel 684-E(3), 1971-75 Sutter Street, Western Addition A-2.

Authorization is requested for a 30-day extension of exclusive negotiating rights for Tony Taylor for purchase of 1971-75 Sutter Street in Victorian

NEW BUSINESS (continued)

Square. Mr. Kernan indicated that exclusive negotiations were first granted in February 1979 and subsequently extended to allow time to complete arrangements for financing. Since the last extension was granted in October 1980, a new reuse appraisal has been obtained which increases the disposition price to \$184,400 including the prorata parking lot share. The building which has two residential units and one commercial unit will only produce an income sufficient to support a \$135,000 Marks-Foran loan, therefore, a cash down payment of \$49,400 plus \$4,000 in closing costs is needed against which the Agency holds a \$6,500 deposit from Mr. Taylor. Although Mr. Taylor did not meet the January 29, 1981 deadline for firm evidence of financing he has assured staff that he is within days of obtaining an equity loan on other real property he owns to raise the cash needed. Based on Mr. Taylor's efforts and his assurance of obtaining the necessary cash, staff believes it appropriate to grant him a final 30-day extension with the provision that at the conclusion of this period the exclusive negotiation rights would be terminated.

Ms. Mary Rogers urged that the Agency take a stronger initiative in developing creative mechanisms for providing housing. Mr. Kernan concurred noting that the Agency had a number of innovative programs underway. Mr. Glickman inquired how the staff was structured to meet the need to work out creative financing tools. He urged that a person with specific expertise work on that as a major staff effort.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED TO ADOPT RESOLUTION NO. 52-81.

- (e) Consideration of authorization to purchase a Microfilm camera, and a Reader/Printer.

Authorization is requested to purchase a Reliant 550 Microfilmer from Easiman Kodak Company for \$9,977 and a Reader/Printer from Bell and Howell for \$2,653, both plus sales tax. Mr. Kernan indicated that the existing camera purchased in 1971 is requiring increased maintenance. The accepted industry standards for life of this equipment is 8 years and the Agency's camera is now about 10 years old. It is believed to be economically prudent to purchase a new camera. Mr. Kernan also indicated purchase of a reader/printer was requested in 1971, and four reader/printers were purchased. Subsequently two more have been acquired and placed in the Hunters Point and Western Addition site offices. Two of the reader/printers purchased earlier are in poor condition and should be replaced, but at this time we are only requesting one replacement and it is anticipated the other will be requested in 1982. Staff obtained two quotations for the camera and three for the reader/printer. In both instances it is recommended that the low quote be accepted because both meet the Agency's needs.

Ms. Blomquist expressed concern about the cost effectiveness of this filing system. Staff indicated that this aspect had been thoroughly analyzed before the equipment was initially purchased. It was noted that Mrs. Hale had recommended the system because of the expense of buying fireproof file cabinets, providing file space, and the time consumed in filing.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT PURCHASE OF A MICROFILM CAMERA IN THE AMOUNT OF \$9,977, PLUS TAX, AND A READER/PRINTER IN THE AMOUNT OF \$2,653, PLUS TAX, BE APPROVED.

NEW BUSINESS (continued)

- (f) Resolution No. 53-81 authorizing William Nakamura and William Hong to attend PERT/CPM for Management Planning Course, in San Francisco, March 11, 12 and 13, 1981.

Your approval is requested for Messrs. Nakamura and Hong to attend a course on PERT/CPM for Management Planning that will be held in San Francisco March 11-13 for a registration cost of \$1,090. Mr. Kernan indicated that this course offers two management techniques, Program Evaluation and Review Technique and Critical Path Method, which will assist in setting and reaching goals in an organized manner, map out strategies, make accurate judgments in timing and track progress to successful completion. He recommended that Mr. Nakamura, Project Engineer for Rincon Point/South Beach, and Mr. Hong, Project Engineer for YBC would be benefited by having this training to assist in planning activities of these projects.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

Ms. M. J. Staymates, Director, Western Addition Neighborhood Association (WANA), expressed her opposition to the rental agreement entered into between the Agency and L. K. Comstock and Co., Inc. for the parcel located on the northeast corner of Steiner and Sutter in the Western Addition A-2, and approved by the Commission at the December 16, 1980 meeting. She was concerned about this use in a residential area and the noise it created.

At this time Mr. Newman and Mr. Lee excused themselves from the meeting at 6:10 p.m.

Ms. Staymates also stated that she had not been notified in time of this item being on the agenda so she was unable to attend that meeting. Mr. Kernan noted that the item had been publicly noticed and that WANA's objections noted at the time the matter was considered. Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that the protest by WANA had pertained to the potential problem of dust that might be generated by the contractor. He noted this problem was addressed in the rental agreement. Ms. Mary Rogers, WAPAC, indicated that this rental agreement was considered by WAPAC as best for everyone.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Kennedy, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

135
#4
2/17/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 17TH DAY OF MARCH 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed meeting session at 939 Ellis Street in the City and County of San Francisco, California at 5:50 p.m. on the 17th day of March, 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Leroy King
Walter S. Newman

DEPARTMENT ITEM

and the following was absent:

APR 17 1982

None

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The President declared that a quorum was present.

NEW BUSINESS

- (a) Consideration of filling the position of Director of Design and Development.

Mr. Hamilton indicated that staff had completed the additional interviews and reference evaluations of the applicants for the position of Director of Design and Development. He reported that he did not recommend additional Commissioner interviews of these applicants. Mr. Hamilton also commented on his further consideration of the staffing needs of the Agency and indicated that as a result of the interview process and this additional consideration he was now recommending that the Commission select a person with specific development skills. Mr. Hamilton expressed the belief that since the extensive search carried out by the Agency had not resulted in applicants with both design and development strengths he believed it would be necessary to make a choice and it should be in favor of a person with development expertise.

In response to President Berk's inquiry, Mr. Nybakken noted that Messrs. Whitmore, Thompson and Sokolove had been notified that they were not under further consideration.

Mr. Newman asked for clarification of the responsibility of the development position and Mr. Hamilton noted it encompassed all of the Agency's redevelopment areas.

NEW BUSINESS (continued)

Messrs. Glickman and Newman commented on the design strength they believed the applicant Raquel Ramath had and Mr. Newman expressed the desire to have a staff member with good design skills to ensure a high standard of excellence in the buildings constructed in areas under the Agency's jurisdiction.

Mr. Glickman commented that he believed the Agency had a good design person, and may wish to hire a consultant when additional skills were needed. In response to Mr. Glickman's inquiry Mr. Hamilton noted that he would prepare an informational memorandum to the Commission on the need for development strength.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

SF
R35
#4
2/24/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF FEBRUARY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of February 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Willie B. Kennedy
Leroy King
Walter S. Newman

DOCUMENTS DEPT.

and the following was absent:

Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Ted Frazier, Western Addition Project Area Committee (WAPAC); Henry Taylor, Harding Lawson Associates; Harold Bell, ICD Co.; Robin Eden, Arcade Realty; Hiram Smith, John Belz, David Shappiro, Friendship Associates; John W. Hanson, Ed Winters, John Russell, McAllister Street Properties, Inc.; and George Jones, Forest City Dillion Inc.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that the Minutes of a Regular Meeting, January 27, 1981 and February 3, 1981; and Minutes of an Executive Meeting, July 29, 1980 and November 20, 1980 be held for one week. There being no objection, it was so ordered.

SPECIAL APPEARANCES

Public Hearing to hear all persons interested in the conveyance of Parcel 683-E, northwest corner of Fillmore and Post Streets, to Jones Memorial Homes, Inc., Western Addition, A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item be continued for one week. There being no objection, it was so ordered..

NEW BUSINESS

- (a) Resolution No. 54-81 authorizing a Personal Services Contract with Real Estate Research Corp. for appraisal services; Yerba Buena Center.

Authorization is requested to contract for reuse appraisal services with

NEW BUSINESS (continued)

Real Estate Research Corp. in an amount not to exceed \$28,000 for the central blocks in Yerba Buena Center. Mr. Hamilton indicated that it is necessary to have an appraiser to work with Keyser Marston Associates in providing the reuse values for the Yerba Buena Center (YBC) development. The specific services will include establishing initial value estimates of land value for use in negotiations with the developer. The Agency's economic consultants, Keyser- Marston Associates and legal consultant, Steve Cowan, and staff developed a list of five appraisers with the unique experience necessary to provide the reuse data needed for the YBC program. Of the five firms, two were interviewed and staff recommends the selection of Mr. William Niethammer of Real Estate Research Corp. He is well-qualified to provide these services.

In response to Ms. Blomquist's inquiry, Michael Mann, Development Specialist, indicated that the Agency had five appraisal firms currently under contract to perform such services. Ms. Blomquist asked about the total dollar amount of these contracts and Mr. Mann indicated he did not have that information but could provide it. Mr. Hamilton noted that such appraisals are required by HUD and that the Agency also has to update them at least every 18 months to keep the values current. Mr. Mann responded to Mr. Glickman's inquiry noting that the purpose of this particular contract was to establish the land value for the YBC central blocks and that this appraiser would be working with Keyser-Marston. Mr. Glickman expressed the belief that the YBC development was unique and would require careful valuation.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-81 BE ADOPTED.

- (b) Resolution No. 55-81 approving First Amendatory Agreement between the Agency and Ron Kaufman Companies with respect to disposition Parcel 3735-C, and authorizing execution thereof; Yerba Buena Center.

Authorization is requested to amend the Land Disposition Agreement (LDA) with the Ron Kaufman Companies to modify the conveyance date from March 31, 1981 to August 14, 1981 for the Planters Hotel, located at 286 2nd Street in Yerba Buena Center. Mr. Hamilton indicated that the relocation of all occupants was scheduled for October 21, 1980 with conveyance of the building within six months, but no later than March 31, 1981. This time was required to make structural tests, calculations, and drawings; plus, obtaining building permits and financing. However, litigation delayed vacation of the building until February 4, 1981 and the official notification sent to Mr. Kaufman February 14, 1981. During this period the architects and contractor could not gain access to the building making it impossible for Mr. Kaufman to meet the original March 31 conveyance date. Staff recommends that the conveyance date be extended to August 14, 1981 which provides an extension of four and one-half months with intervening dates adjusted to reflect the following schedule: Submit evidence of financing, July 13, 1981; convey the site, August 14, 1981; and complete construction, September 14, 1982. Your approval is recommended.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-81 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Resolution No. 56-81 authorization to enter into a contract with the Center for Collaborative Problem Solving for professional services in connection with the Central Blocks in Yerba Buena Center.
- (d) Resolution No. 57-81 authorization to enter into a contract with Morrish and Fleissig Associated, Architecture and City Design, for professional services in connection with the Central Blocks in Yerba Buena Center.

Authorization is requested to enter into two contracts, one with the Center for Collaborative Problem Solving in the amount of \$12,000 and one with Morrish and Fleissig Associates in the amount of \$7,000. Helen Sause, Project Director of Yerba Buena Center, indicated that the services of these consultants will be used to carry out the necessary preparation and to assist in conducting a large cultural conference and workshop on February 27 and 28, 1981. This conference is being designed to involve a broad range of cultural users in the arts program in YBC. The consultants will also assist in producing the reports after the conference. These reports will be essential for use by the task forces formed at the conference to focus on particular content areas and begin development of the mechanisms the Agency and developer will find necessary to carry out the cultural component of YBC. Two large cultural meetings have been previously held in November and in December to develop an understanding of the program opportunities in YBC and this intensive conference is designed to actively involve the cultural community. The Center for Collaborative Problem Solving donated its services to facilitate the November and December meetings and Morrish and Fleissig have assisted the Agency in its preparation of the application to the National Endowment for the Arts. At the December meeting the steering committee suggested a day and a half conference be held early in 1981 and urged the Agency retain the Center for Collaborative Problem Solving and Morrish and Fleissig Associates to assist in carrying out this large meeting which has an expected attendance of 150-200. They will also translate the results of the meeting into information that can be used by the Agency and the developer for the Central Blocks. Further meetings will be held in April and May to examine and review the resulting alternative scenarios for the arts programs and facilities, so it is anticipated there will be a need for their ongoing services to assist with this huge arts planning process on the expedited schedule which is necessary to meet the negotiation schedule. The Center has been generous in using its own grant funds to support the process to date as have Morrish and Fleissig. We anticipate receiving grant funds from the National Endowment for the Arts which is to be matched with Agency funds and is intended to provide for these and other consultant services. Your approval of the contract with the Center for Collaborative Problem Solving for \$12,000 and with Morrish and Fleissig Associates for \$7,000 is recommended.

Ms. Blomquist observed that it is unusual for community arts groups to work together as a team and she believed the Collaborative Problem Solving Center was helpful in assisting this planning process. She also believed that the cultural community was enthusiastic about the potential for the "showcasing concept" and that it would have a positive result for Yerba Buena Center. Ms. Blomquist noted that this provided an opportunity for people in the arts community to work together towards good community arts projects. Ms. Berk inquired if more funding would be necessary for the subsequent meetings and expressed the hope that the National Endowment for the Arts grant would be sufficient to provide the necessary support for the cultural community planning process. Mr. Newman inquired about the services to be provided and expressed concern about using funds for this process. He indicated that the arts community needed funding for established activities and he did not believe this was an appropriate use of funds.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING THAT RESOLUTION NO. 56-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Ms. Kennedy
Mr. King

AND THE FOLLOWING VOTED "NAY":

Mr. Newman

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-81 BE ADOPTED.

- (e) Resolution No. 58-81 awarding Demolition and Site Clearance Contract No. 1 to Allstate Excavation and Demolition, Mariners Village (Inchon Village).

Authorization is requested to award Demolition and Site Clearance Contract No. 1 to the low bidder Allstate Excavation and Demolition in the amount of \$48,000. This contract will provide for the demolition and clearance of seven structures in the Solomon Village area, clearance of dried brush, concrete walks and stairways, asphalt pavements, numerous underlying and overhead utility lines and poles and capping sewer and waterlines. This demolition and clearance will eliminate potential hazards and unauthorized use of the buildings and make way for housing in the future adjacent to Mariners Village. Allstate has previously completed contracts for the Agency satisfactorily. Their affirmative action/MBE and safety programs are satisfactory.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-81 BE ADOPTED.

- (f) Resolution No. 59-81 authorizing Personal Services Contract No. 1 with Resources Engineering Management for civil engineering services, Bayview Industrial Triangle.

Authorization is requested to execute a contract for civil engineering services with Resources Engineering Management in an amount not to exceed \$225,000 for the Bayview Industrial Triangle. In November 1980 you authorized staff to negotiate a contract with this firm to provide services that would include master planning and scheduling; design for specific site improvements; surveying for design, construction and marketing phases; materials testing; and general consultation and structural engineering services. These services will be compensated on a time and materials basis with the term of the contract being the duration of the project, approximately seven years.

In response to Ms. Blomquist's inquiry, Mr. Salvador, Chief of Engineering, indicated that there was insufficient staff capacity to handle these services over the duration of the project.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-81 BE ADOPTED.

- (g) Resolution No. 60-81 authorizing Personal Services Contract No. 2 for soils engineering services with Harding-Lawson Associates, Bayview Industrial Triangle.

Authorization is requested to execute a contract with Harding-Lawson Associates.

NEW BUSINESS (continued)

and Geo Resources for soils engineering services in an amount not to exceed \$100,000. Mr. Hamilton indicated that in October, 1980 you authorized staff to negotiate a contract with Harding-Lawson and Geo Resources Consultants for services that would include preparation of a master soils report for the project, construction inspection, development reviews and general consultation. Services will be compensated on a time and materials basis with the term of the contract being the duration of the project - approximately seven years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-81 BE ADOPTED.

- (h) Resolution No. 61-81 authorizing the execution of an Owner Participation Agreement with James W. Delameter for 1942-46 Eddy Street; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item be held for one week. There being no objection, it was so ordered.

- (i) Resolution No. 62-81 authorizing a contract with Briggs Development Incorporated for structural repair of 1109 Geary Street; Western Addition A-2.

Authorization is requested to award a contract to the low of two bidders, Briggs Development, Inc., in the amount of \$6,572.96 for repair of 1109 Geary Street which is also known as the Goodman Building in the Western Addition A-2. Mr. Hamilton indicated that on June 9, 1980 the brakes of an Alhambra Water Delivery truck failed and the vehicle, sliding in reverse, hit the northeast corner of 1109 Geary causing damage to the front elevation of the building, however, it did not cause structural. Repairs to this building which is scheduled for retention and rehabilitation were delayed to resolve such issues as whether the Agency or Alhambra's insurance company would contract for the work; the necessity of preparing detailed drawings and specs to restore the building and to obtain competitive bids. The Agency will contract for the work and recommends using Briggs Development of San Francisco who has been in the construction industry for 14 years and has submitted a satisfactory affirmative action plan.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-81 BE ADOPTED.

- (j) Resolution No. 63-81 approving and authorizing execution of an amendment to that certain Personal Services Contract for Reuse Appraisal Services with DLY, Inc. dba Daniel L. Yee and Associates; all redevelopment areas.

Authorization is requested to amend the contract for reuse appraisal services with DLY, Inc. dba Daniel L. Yee and Associates for all redevelopment project areas in the amount of \$30,000. Mr. Hamilton indicated that for parcels that exceed \$25,000 in value are required by HUD to have two appraisals prepared. Also, appraisals that are more than 18 months old require reappraisal. These requirements make it necessary to reappraise approximately 200 remaining disposition parcels and 34 buildings scheduled for rehabilitation. He recalled that at the October 21, 1980 meeting contracts were authorized for two minority-owned appraisal firms in an amount not to exceed \$10,000 each for a one-year period. Staff's experience with one of

NEW BUSINESS (continued)

these firms has been highly satisfactory and it is recommended their contract be increased by \$30,000 to a total of \$40,000 and the term from one year to three years until October 21, 1983. Staff also recommends changes in the hourly rates to increase principals from \$57.50 to \$63.25; staff appraisers from \$23.58 to \$26.00 and researchers from \$11.79 to \$13.00.

Mrs. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), expressed concern that appraisals have been delayed in the Western Addition A-2, and Mr. Hamilton agreed there had been some delays, but they had not been caused by this appraiser. He stressed that the firm of Daniel Yee and Associates have performed so well that they are being recommended for an amendment for additional services.

In reply to an inquiry from Mr. Robin Eden, Arcade Realty, Mr. Hamilton indicated that several appraisers had been hired in order to expedite the appraisal process but he noted the three-year contract period was necessary because appraisals were only performed as required.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-81 BE ADOPTED.

RULE OF THE CHAIR: President Berk indicated that subject to any objection from any Commissioner, a five minute recess would be taken. There being no objection, it was so ordered. The meeting reconvened at 5:10 p.m. with the same roll call.

At this time, Mr. Hamilton turned the meeting over to Redmond F. Kernan, Deputy Executive Director.

- (k) Workshop - Offering No. 22, Parcel 768-A, east side of Gough between Golden Gate and McAllister; Western Addition A-2.

Mr. Kernan indicated that the purpose of the workshop was to present the three development proposals received for Offering No. 22 in the Western Addition A-2 for Parcel 768-A, which is a 23,960 square foot site located on the east side of Gough Street between McAllister and Golden Gate Avenue. The following three proposals were received for Offering No. 22:

Friendship McAllister Properties, Ltd. and Forest City Dillon, Inc. Mr. Byron Rhett, Business Development Specialist, and Edmund Ong, Chief of Architecture, described each proposal. Mrs. Mary Rogers, Chairperson, (WAPAC), inquired if these were to be unit set-asides in the development for handicapped residents and he also expressed concern about the use of sprinklers rather than smoke detectors. Mr. Ong, Chief of Architecture, indicated that there was no requirement in the offering of the set-aside of specially designed units. He also noted that the determination as to the type of fire safety mechanisms would be worked out during the design development phase. Mr. Hiram Smith and John Belz of Friendship Associates spoke on behalf of their proposal. Mr. David Shappiro indicated that he had intended to submit a proposal; however, he had been advised that development on the site could not exceed 50 feet in height. Mr. Kernan noted that the Redevelopment Plan for the project relieved developers from this restriction. Mr. Glickman suggested that such issues be clearly addressed in future offering materials.

At this time, Mr. Newman excused himself from the meeting at 5:45 p.m.

NEW BUSINESS (continued)

John Hanson, Ed Winters, and John Russell spoke on behalf of McAllister Properties, Ltd.

At this time, Mr. Glickman excused himself from the meeting, at 6:00 p.m.

George Jones indicated that he was present to represent Forest City Dillion, Inc. Mr. Kernan indicated that staff would complete analysis of the proposals and would calendar a recommendation for action in about two weeks.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Kennedy, and unanimously carried that the meeting adjourn. The meeting adjourned at 6:10 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

APPROVAL

August 4, 1981

SF
R25
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3/3/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF MARCH 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of March 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Willie B. Kennedy (arrived at 4:25 p.m.)
Leroy King
Melvin D. Lee
Walter S. Newman

DOCUMENTS DEPT.

and the following was absent:

None

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The President declared a quorum present.

REC'D

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ted Frazier, Dexter West, Mary Rogers, Western Addition Project Area Committee (WAPAC); Pearl Brown, Anna Weatherspoon, Booker T. Anderson, Gene Henderson, Pops Kidley, Walter L. Hight, Andrew Jacobs, Salley Little, Toni Monteiro, Alberta Jackson, Jones Methodist Church; J. W. McCormick, McCormick and Associates; Jerry Oldknow, Kendale Young, O/Y Associates; and Chris Layton, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Glickman, seconded by Mr. King, and unanimously carried that the minutes of Executive Meetings of July 20, 1980, and November 20, 1980 and the Closed Session of February 10, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Agency Commissioner Willie B. Kennedy has been appointed to the Board of Supervisors by the Mayor and will be sworn in Friday, March 6, 1981. Mr. Hamilton noted that this will be her last meeting as a Commissioner of the Redevelopment Agency.
- (b) The lottery for the condominiums at Mariners Village will be held on March 5, 1981 for those applicants that have passed the initial screening requirements.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

At this time, Ms. Berk indicated that Ms. Kennedy would soon be joining the meeting. She also commented on her pleasure in serving with Ms. Kennedy noting that the Agency's loss was the greater City's gain.

Ms. Kennedy joined the meeting at 4:25 p.m.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the parking variance for development of Blocks 683 and 702, Western Addition A-1 and A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the parking variance for development of Blocks 683 and 702, Western Addition A-1 and A-2.

Resolution No. 64-81 granting an off-street parking variance from the development standards of the Redevelopment Plans Block 683, Block 702, Jones Memorial Homes, Inc.; Western Addition A-1 and A-2.

Authorization is requested to grant a variance from the Redevelopment Plan parking requirements for development of 51 units by the Jones Memorial Homes on the northwest corner of Fillmore and Post Streets in the Western Addition A-1 and A-2. Mr. Hamilton indicated that these were to be subsidized apartments for the elderly and would also provide 5,000 square feet of retail commercial area. This variance complies with the City Planning Code but requires a variance from the Plan requirement that one parking space be provided for each dwelling unit. For A-2 the variance is from the plan requirement that one parking space be provided for each two dwelling units. The development will have one parking space for each five dwelling units and none for the retail commercial area because it is under 5,000 square feet.

Reverend Booker T. Anderson and Floyd Pierce, President, Jones Memorial Homes, spoke in support of this development and asked the Commission vote favorably for the variance and the following calendar item which authorizes execution of a Land Disposition Agreement (LDA). Ted Frazier, Western Addition Project Area Committee (WAPAC), spoke in support of this item.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Ms. Kennedy stated that she was a member of the Jones Methodist Church; therefore she would abstain from voting on calendar items 9(a) and 9(b).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, THAT RESOLUTION NO. 64-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. King
Mr. Lee
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Ms. Kennedy

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (continued)

- (b) Public hearing to hear all persons interested in the conveyance of Parcel 683-E, northwest corner of Fillmore and Post Streets to Jones Memorial Homes, Inc., Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the conveyance of Parcel 683-E, northwest corner of Fillmore and Post Streets to Jones Memorial Homes, Inc.; Western Addition A-2.

Resolution No. 65-81 authorizing execution of Agreement of Disposition of Land for private development in connection with sale of Parcel 683-E to Jones Memorial Homes, Inc., approving the disposition value and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

Authorization is requested to enter into a Land Disposition Agreement (LDA) with Jones Memorial Homes. Mr. Hamilton indicated that exclusive negotiations were granted by the Commission on October 17, 1978, and subsequent extensions granted to obtain HUD approval of the development. These 51 units constitute the second phase of the development located on the block bounded by Fillmore, Post, Steiner and Sutter Streets. HUD has been granted approval and the proposed schedule of performance provides for submission of evidence of financing, October 31, 1981; commencement of construction, January 31, 1982; and completion of construction, July 31, 1983. These are outside dates. Mr. Hamilton noted that WAPAC has endorsed this proposal.

Mr. Benny Stewart, Executive Director, WAPAC, reiterated endorsement of this development by WAPAC but expressed concern regarding the Affirmative Action plan for this development. Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that the Affirmative Action program is attachment 7 of the LDA and non-profit developers are required to agree to the attachment within 45 days of LDA approval. He noted that the El Bethel development to be considered by the Commission at a later date will have a similar provision. Mr. Hamilton noted that this was a method of "fast tracking" the project. Mr. Stewart indicated that he had not been advised of this provision and had just received a draft of the proposed plan.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, THAT RESOLUTION NO. 65-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. King
Mr. Lee
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Ms. Kennedy

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (continued)

Ms. Mary Rogers, Chairperson, WAPAC, inquired if a new LDA was pending for the Commission to adopt and Mr. Hamilton indicated there were none pending.

Ms. Kennedy noted that she had enjoyed serving on the Agency and looked forward to also serving the larger city. She extended an invitation to those present to attend the ceremony swearing her in as a Supervisor on March 6, 1981.

- (c) Resolution No. 61-81 authorizing the execution of an Owner Participation Agreement with James W. Delameter for 1942-46 Eddy Street, Western Addition A-2.

This item requests approval of an Owner Participation Agreement with James W. Delameter for the property located at 1942-46 Eddy Street. This building was constructed in 1900 and is a three-story, three-unit wood-frame building. When renovated, the building will have three two-bedroom units. Costs are estimated at \$100,000 and will be financed by the owner. Rental rates after rehabilitation are estimated at \$325 to \$400 per unit.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. KENNEDY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-81 BE ADOPTED.

- (d) Resolution No. 66-81 authorizing the execution of an Owner Participation Agreement with 950 Franklin Street Associates and William J. McMonigle, Jr. for 950 Franklin Street, Western Addition A-2.

Authorization is requested to enter into an Owner Participation Agreement with 950 Franklin Street Associates and William J. McMonigle for the property located at 950 Franklin Street in the Western Addition A-2. Mr. Hamilton indicated that this seven-story wood-frame structure, built in 1931, has 54 residential units of which 25 are 1-bedroom and 29 are studios. The building also has ground floor commercial and 18 parking spaces. Cost of rehabilitation is estimated at \$220,000 and will be financed through a 312 loan which includes a loan program for buildings with five or more units. The Agency was notified that funds were available for this program and an application was submitted and approved. Rental rates after rehabilitation are estimated to be \$315 to \$375.

Ms. Mary Rogers, Chairperson, WAPAC, urged that affirmative action hiring practices be enforced by people using 312 loans.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-81 BE ADOPTED.

At this point, Ms. Kennedy left the meeting at 4:55 p.m.

- (e) Resolution No. 67-81 authorizing the execution of an Owner Participation Agreement with Richard A. Wade for 1945-47 Eddy Street, Western Addition A-2.

Authorization is requested to enter into an Owner Participation Agreement with Richard A. Wade for the property located at 1945-47 Eddy Street in the Western Addition A-2. Mr. Hamilton indicated that this structure built in 1900 is a wood-frame two-story with basement building that is owner-occupied and contains two two-bedroom units. Cost of rehabilitation is \$54,000 financed with a HUD Section 312 loan. This loan has been reviewed by the 312 Loan Committee in September, 1980 prior to submission to HUD.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-81 BE ADOPTED.

- (f) Consideration of authorizing Fire, Extended Coverage, Vandalism and Malicious Mischief Insurance on six Agency-owned buildings to be rehabilitated, Western Addition A-2.

Authorization is requested to pay a \$3,705 annual premium with \$1,000 deductible and malicious mischief on six buildings to be rehabilitated in the Western Addition A-2. Mr. Hamilton indicated that these buildings are valued at \$390,000. Proposals were solicited from seven brokers, but Lavolia Baker's was the only one received. The insurance carrier is Associated International Insurance Co., which has a good rating.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT INSURANCE ON THE SIX AGENCY-OWNED BUILDINGS TO BE REHABILITATED, WESTERN ADDITION A-2, BE APPROVED.

- (g) Resolution No. 68-81, authorization to enter into exclusive negotiations with Yerba Buena Project Associates for Parcel 3752-A, Yerba Buena Center.

Authorization is requested to enter into exclusive negotiations with Yerba Buena Project Associates, a limited partnership, consisting of Metropolitan Properties, Curtis Financial Corp., A. Harrison & William Post Co., to develop the 3,600-square-foot-parcel located on the southwest corner of Fourth and Folsom Streets in Yerba Buena Center. Mr. Hamilton indicated that 9 proposals were received for this parcel which were presented in detail in a workshop on February 3, 1981. Staff analysis of each of the development responses indicated that the Yerba Buena Project Associates response most closely conformed with all of the selection criteria which includes experience of developers team, financial capacity of developer, economic feasibility of proposed project, architectural quality, and the experience record of the design team with preferential evaluation given to proposals with neighborhood oriented retail facilities on the ground floor. The proposed development is for a 3-story building with street level retail, plus one retail floor below street level. Retail uses suggested are pharmacy, restaurant, branch bank or combination of such uses. Upper floors would contain either medical or general office uses. Depending on intended uses, parking for 18-26 cars will be required. No parking is provided and a variance will be recommended.

At this time Ms. Kennedy returned to the meeting, 5 p.m.

At this time Mr. Glickman noting a possible conflict regarding the item being considered left the meeting.

Mr. Newman expressed his objections to granting variances and suggested that future offerings clearly indicate the need for any variances, and Mr. Hamilton indicated this would be done. Mr. Lee inquired about the parking spaces provided in all the proposals and Mr. Hamilton noted that only one proposal provided parking with three spaces for the building.

Mr. Eugene Berger spoke on behalf of the Citizens Savings and Loan proposal and indicated that they had a continued interest if the recommended developer did not proceed. He noted that they carefully evaluated the parking in the area and would be willing to make these studies available to the Agency.

NEW BUSINESS (continued)

Gordon Chong, representing his own development, indicated that his proposal anticipated occupancy by his own architectural office, which he believed should be a preferred use. He also believed that the selection criteria was unclear. Mr. Wayne Alba, indicated his dissatisfaction with the evaluation process and considered it unfair and incompetent. Discussion followed on the participation of McDonalds Restaurants in the project. Mr. Alba indicated that the inclusion of this use should be a preferential factor and the discussion focused on the role of McDonalds in the evaluation. Mr. Chris Layton indicated he felt the evaluation was fair and impartial. He also commented favorably on the quality of the recommended proposal. However, he outlined his proposal and urged approval of the project which he believed would be most beneficial to the area.

Discussion followed with the Commission evaluating the various aspects of the proposals. Ms. Blomquist indicated her support for the staff recommendation Yerba Buena Properties Associates street level design and the types of uses proposed. However, she urged that the developer attempt to have a restaurant use in the building which provides breakfast service. Ms. Kennedy indicated her pleasure at the number of good proposals received and that it was necessary for the Commission to select one and noted her support of the Yerba Buena Project Associates.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-81 BE ADOPTED.

- (h) Public hearing to hear all persons interested in the conveyance of Parcel 3752-C, southwest corner of Fourth and Shipley Streets to The Salvation Army, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in the matter of the conveyance of Parcel 3752-C, southwest corner of Fourth and Shipley to The Salvation Army, Yerba Buena Center.

Resolution No. 69-81 approving and authorizing execution of a substitute Agreement for Disposition of land for private development with The Salvation Army and ratifying the publication of Notice of Public Hearing, Parcel 3752-C, Yerba Buena Center.

Authorization of a Substitute Agreement is requested for the Land Disposition Agreement with The Salvation Army for the parcel located at the southwest corner of Fourth and Shipley Streets in Yerba Buena Center. The Substitute Agreement is the new standard form of LDA, which will replace the old form executed in 1973 and amended in 1976 and 1977, will include the Affirmative Action provisions and a detailed schedule of Scope of Development that clearly defines the development proposed. In 1973 when The Salvation Army entered into three LDA's, one for the Silver Crest Apartments, completed in 1974, the second for the old Southern Police Station which was to be demolished and the site incorporated with the subject parcel for the development of a two-story senior citizen facility with ground floor retail. It was subsequently determined that the Police Station building was a potential landmark and was feasible for rehabilitation. This necessitated a reconsideration by the Army and the LDA was extended. The Southern Police Station was rehabilitated and currently in use as a senior center. The Army has studied the uses and services that could be provided on the remaining site and redesign of the building. The Army has now submitted a program of uses which addresses the requirements of the senior citizens in Silvercrest Apartments and the entire

NEW BUSINESS (continued)

South of Market Area which will supplement the facilities in the adjacent Southern Police Station. A new schedule has been submitted which will lead to start of construction early next year, with the submission of evidence of financing no later than September 15, 1981. Financing is provided by monies currently available in the Army's budget.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Major George Church of The Salvation Army was present, and in response to Ms. Blomquist's inquiry he noted that the Southern Police Station had facilities for the meals provided by the Army, craft areas and a library.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-81 BE ADOPTED.

- (i) Resolution No. 70-81 authorizing execution of a Work Change Order with Environmental Science Associates, Inc., related to the Environmental Impact Report Supplement Contract, Yerba Buena Center.

Authorization is requested to execute a change order to Environmental Science Associates' contract in an amount not to exceed \$6,100 to provide additional environmental analysis to be included within the Environmental Impact Report Supplement for Yerba Buena Center. Additional analysis is necessary to assess the effects of the mixed-use program in Central Block One on the traffic circulation and public transit systems; additional analyzing of the private high school use and permits retention of Kenneth Manaster, an environmental law professor at the University of Santa Clara, to review the supplement on behalf of the Office of Environmental Review, as their staff is unable to carry out the analysis for several months. In response to Commissioner Blomquist's inquiry, Mr. Conrad indicated the contract amendment increased the cost to a maximum of \$44,100. Ms. Blomquist expressed her belief that the cost was excessive and inquired about the necessity for the work, and Mr. Conrad indicated that it met the minimum requirements of the California Environmental Quality Act.

Mr. Newman commented on the benefit the developers derived from having the EIR process completed for them and suggested that the Agency evaluate the possibility of having developers pay for EIR's. Ms. Berk inquired about the previous EIR, and Mr. Conrad noted that alterations were studied which did not include some of the uses proposed, such as the 1,500-room hotel.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-81 BE ADOPTED.

- (j) Resolution No. 71-81 approving and authorizing execution of second Amendatory Agreement to the Agreement for Disposition of Land for private development with John H. Wouldridge Investment Company, Inc., Parcel T-5, Hunters Point.

Authorization of a Second Amendatory Agreement is requested to the Land Disposition Agreement with John H. Wouldridge Investment Company, Inc., for the parcel located on the southwest side of Hudson Avenue at Keith Street in Hunters Point. The LDA was executed in March 1978; a First Amendatory was authorized in September 1980, providing for a three-phase development of 14 single-family homes. The first phase was conveyed on November 20, 1980, and construction began shortly thereafter. The developer encountered difficulties with his contractor and contracting with a new firm delayed development of

NEW BUSINESS (continued)

the three homes in Phase II. The development was placed in default on December 8, 1980, for lack of submission of evidence of financing. The developer has now requested an extension of time for Phase II indicating that the delays were caused by the change in contractors and the recent rains. Since Olympic Savings & Loan has indicated they will continue to finance the remainder of the project conditioned upon successful completion of the first units, staff believes the development should proceed with performance dates amended as follows: submit evidence of financing from December 1, 1980 to April 1, 1981; commence construction from February 15, 1981 to May 20, 1981; complete construction from July 15, 1981 to October 20, 1981.

ADOPTION: IT WAS MOVED BY MS. KENNEDY, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-81 BE ADOPTED.

- (k) Resolution No. 72-81, authorization to enter into a contract with the Owner-Builder Center of Berkeley for professional services in connection with Site S-4, Phase III; Hunters Point.

Authorization is requested to enter into a contract with the Owner-Builder Center of Berkeley in an amount not to exceed \$1,200 for a two-day seminar on March 15 and 22 for the developers of single-family homes in Site S-4, Phase III, Hunters Point. Mr. Hamilton indicated that Site S-4 is unique because it is being developed by 16 private individuals in Hunters Point. Many plan to do much of their own work but are inexperienced. Since the Agency and the community believe the success of this undertaking as being very important, it is proposed that assistance be provided at the outset of the project for the inexperienced developers. The Owner-Builder Center is a private, non-profit organization and will cover topics on financing and design assistance, which are the most immediate problems facing the developers, as well as contracting practices and management of a building project. The Owner-Builder Center has been able to save from 10-60% of the cost of a new home by owners doing some or all of their own work. Ms. Blomquist suggested that the persons on the waiting list of alternate purchases also have the opportunity to participate in the process. Mr. Hamilton indicated that the staff would see if the people on the waiting list could be accommodated.

Mr. Newman suggested that the seminar be given widespread publicity.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-81 BE ADOPTED.

- (l) Consideration of authorizing Automobile Fleet Insurance with Johnson & Higgins of California:

Authorization is requested to award to Johnson & Higgins of California the Agency's Auto Fleet Insurance at an annual premium of \$20,500 for the Agency's 39 vehicles. Four insurance brokers submitted proposals and Johnson & Higgins submitted the lowest quote. They have been the Agency's broker for the last two years with Canadian Indemnity as the carrier. Last year's premium for the same coverage was \$22,500.

NEW BUSINESS (continued)

In reply to an inquiry from Ms. Mary Rogers, Chairperson, WAPAC, Mr. Harold Bell, Controller, indicated that the firm's Affirmative Action program had been received and is satisfactory.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, THAT THE AUTOMOBILE FLEET INSURANCE WITH JOHNSON & HIGGINS OF CALIFORNIA BE APPROVED.

- (m) Resolution No. 73-81, authorization to amend Section VII. C.2 of the Agency Personnel Policy relating to terminal pay of sick leave.

Authorization is requested to amend the Agency's Personnel Policy relating to limiting terminal pay of sick leave to that earned prior to June 30, 1980 and unused at time of retirement, industrial disability or death. Mrs. Jane Hale, Deputy Executive Director, indicated it had long been an Agency and City policy to pay a certain percentage of cash payment for unused sick leave depending on length of service for these kinds of separations. In the fall election of 1978, the voters approved a Charter Amendment limiting terminal pay of sick leave to that earned prior to December 3, 1978 and unused at time of separation. The Agency at that time was unable to make the change for all employees due to the legally binding collective bargaining agreement with Local 21 that was renegotiated in late 1979 and Local 400 in the Fall of 1980. Rather than have two sets of rules for Agency employees, staff recommends establishing one uniform date and that date be June 30, 1980, which is the termination date of the old Local 400 agreement. Staff has received concurrence from HUD in this policy change.

Local 400 representative Ms. Shirley Wysinger indicated that Local 400 had acted on behalf of all the employees in obtaining these benefits and urged approval of the proposed change.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-81 BE ADOPTED.

MATTERS NOT ON THE AGENDA

- (a) Ms. Mary Rogers, Chairperson, WAPAC, indicated her displeasure at being told to be quiet during the meeting tonight and felt that she was getting different treatment than the South of Market Coalition people who she believed had been disruptive at a previous meeting. President Berk stated that the Commission does not condone any kind of disruptive behavior and stressed that no one was being singled out. She noted that she had asked the meeting attendees to be quiet because the other people at the meeting could not hear the speaker's comments.
- (b) Resignation of Ms. Kennedy.

Ms. Kennedy expressed her pleasure in serving on the Commission and noted that she would miss the Commissioners and staff, but believed that serving on the Board of Supervisors would afford her an opportunity for personal growth and an even greater opportunity to serve the City.


- (c) Ms. Rogers suggested consideration of Supervisor Hutch in adjourning.

Minutes of a Regular Meeting, March 3, 1981

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the meeting be adjourned in honor of Supervisor Ella Hill Hutch. The meeting adjourned at 6:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

APPROVED: June 16, 1981

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF MARCH 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 10th day of March 1981, the place, hour, and date duly established for the holding of such meeting

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Leroy King
Melvin D. Lee (joined the meeting at 4:20 p.m.)
Walter S. Newman

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Bob Becker, John Belz, Friendship Associates; Essie Collins, Mary Rogers, Cassandra Howard, Benny Stewart, Dexter Woods, Ted Frazier, Western Addition Project Area Committee (WAPAC); Michael Murakami, John Williams, Hansen/Murakami/Eshima, architects; George Jones, Forest City Dillon; Michael Marston, Keyser-Marston Associates; Kirk Hithe, Wade Woods, Western Addition; Peter Balles, Joan Coleman, Balles Associates; Lavolia Baker, L. Baker Insurance Agency; Robin Eden, Arcade Realty; Grant Hundley, Hundley Hardware; Walley Eilers, National Maritime Union; Reverend L. Uzuade, interested citizen.

Representing the press were Gerald Adams, San Francisco Examiner and Marshall Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Glickman, and unanimously carried that the minutes of a Closed Session of February 24, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the minutes of a Closed Session of March 3, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners

on the following matters:

- (a). On March 9, 1981, the Mayor appointed Mr. Haig Mardikian to replace Ms. Willie B. Kennedy as a Redevelopment Agency Commissioner. He is expected to come before the Board of Supervisors and be sworn in within a short time.
- (b). At the Agency meeting of March 3, 1981, a contract was approved with the Owner-Builder Center of Berkeley to conduct a 2 day seminar for developers of single-family homes in Hunters Point. Staff now recommends two changes in the insurance provisions of this contract which would delete the requirement of Errors and Omissions Insurance and change the amount of liability insurance to a total of \$1,000,000. These changes have been reviewed by Staff and are recommended for approval. Mr. Hamilton expressed his belief that this assistance by the Owner-Builder Center will be helpful to the sixteen developers of the Site S-4 parcels in Hunters Point.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE INSURANCE PROVISIONS TO THE CONTRACT WITH THE OWNER-BUILDER CENTER OF BERKELEY BE CHANGED TO DELETE THE REQUIREMENT OF ERRORS AND OMISSIONS INSURANCE AND CHANGE THE AMOUNT OF LIABILITY INSURANCE TO A TOTAL OF \$1,000,000, COMBINED SINGLE LIMIT BE APPROVED.

- (c). Consideration is being given to name the John Swett Community Facility for Supervisor Ella Hill Hutch.

NEW BUSINESS

- (a). Resolution No. 74-81 authorization to enter into Exclusive Negotiations with National Maritime Union for Offering No. 9, Parcel 3751-P; Yerba Buena Center.

Authorization is requested to enter into exclusive negotiations with the National Maritime Union (NMU) as developer of the 16,753 square foot parcel located on the north side of Harrison Street between Third and Fourth Streets in the Yerba Buena Center. Mr. Hamilton indicated that two proposals were received in response to Offering No. 9 and a workshop was held on January 27, 1981, to review those proposals. Analysis of the proposals and the workshop comments were concluded and resulted in a recommendation of the National Maritime Union's proposal as being the most aligned to all the selection criteria. During the workshop there were questions raised as to the building mass and National Maritime Union has attempted to respond to those concerns by agreeing to reduce the development by 10,000 square feet or an equivalent of one floor. Staff is concerned about the building mass and bulk and during the period of exclusive negotiations the developer has agreed to study alternative design approaches to these aspects as well as materials and design details. A presentation will be made to

NEW BUSINESS (continued)

this Commission with regards to the results of that study within 90 days. Based on this further study approval of exclusive negotiations for 180 days with National Maritime Union is recommended.

Mr. Grant Hundley, Hundley Hardware, who had also responded to the offering for this site spoke on behalf of that proposal.

Commissioner Glickman expressed concern that representatives of the community were not present at the meeting. He also expressed the hope that Hundley Hardware would again submit a proposal when the opportunity again arose. Mr. Wally Eilers of National Maritime Union indicated they had had no communication with the Community since the workshop but were still willing to discuss community needs.

Ms. Blomquist indicated her concern about the community and the space offered them by the Union and expressed the hope that the Union would keep that option open. She also indicated her concern with the massing of the building and Mr. Hamilton indicated that during Exclusive Negotiations this would be an item the Agency would be working to resolve.

- (b). Resolution No. 75-81 authorizing Second Amendment to Personnel Services Contract with Keyser-Marston Associates applicable to all redevelopment project areas.

Authorization is requested of a Second Amendment to the contract with Keyser-Marston Associates economic consultants in the amount of \$85,000, which would increase their contract to \$140,000. Mr. Hamilton indicated that the first amendment was a legal refinement of this contract which was approved in September 1980. This contract for Economic Urban Consulting Services was originally approved in June 1980. The activities in YBC, including evaluating developer responses to the RFQ and assisting in the negotiating process for the Central Blocks used the contract funds. It is felt that with the experience and expertise of the firm makes it the most effective to provide these services. The amendment to this contract will include preparation of one of the land valuation appraisals to the entire mixed-use development area which includes the rooftop lease, the other will be done by Real Estate Research, and provide the economic analysis needed to analyze the developer program proposals. This amendment also provides \$15,000 for supplementary services for the Fillmore Center.

Ms. Mary Rogers, Chairperson, WAPAC, inquired about the services of Keyser-Marston and how the consultants would be working on the Fillmore Center and how these would be coordinated. Mr. Hamilton indicated that Keyser-Marston would be working on the economic aspects of the Safeway development and that Art Silvers,

NEW BUSINESS (continued)

Carey Jenkins, Emory Curtis are working as consultants there and Staff was coordinating these services in the entire area. In reply to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the list of appraisal firms under contract had been sent to her and Ms. Blomquist indicated that she had not received them and reiterated her concern about costs for these services. Mr. Hamilton indicated that appraisals are only used on an as needed basis. In reply to Mr. Newman's inquiry, Mr. Hamilton indicated that Keyser-Marston and Real Estate Research were the only two that were doing appraisals for that area now but that this particular development was so important that Staff may request authority to hire another appraiser for a third opinion.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-81 BE ADOPTED.

- (c). Resolution No. 76-81 authorization to enter into Exclusive Negotiations with McAllister Properties, Ltd. for Offering No. 22, Parcel 768-A; Western Addition A-2.

Authorization is requested to enter into Exclusive Negotiations for 90 days with McAllister Properties, Ltd. for the 23,960 square foot parcel located on the east side of Gough between Golden Gate and McAllister in the Western Addition A-2. Mr. Hamilton indicated that Offering No. 22 was authorized in September 1980 and 3 developers submitted satisfactory proposals. A workshop was held on February 24, 1981 to review those submittals. Mr. Byron Rhett, Development Specialist and Mr. Ed Ong, Chief of Architecture, commented on the proposal indicating that the McAllister Properties' proposed development consists of four stories of residential units over a garage and two stories of offices over a garage. They also reviewed the proposal in terms of the selection criteria in the offering. Mr. Ong noted that this proposal is the most responsive to the existing architectural scale of the area and Mr. Hamilton indicated that the proposal also conformed to the objective to provide lowest cost housing possible. The developers profit will be limited to 20% on the residential units sold based on development costs, exclusive of developer's fees and overhead costs, and any profits in excess of the 20% will be shared on a 50-50 basis with the Agency. Mr. Hamilton noted that WAPAC has advised staff that it recommends selection of the Friendship Associates proposal. Mr. Newman inquired if the development program required provision of street level activity and Mr. Ong answered negatively.

The following persons spoke in favor of Friendship Associates

NEW BUSINESS (continued)

development:

Hiram Smith, John Belz, Robert Becker and Sirgio Nibbi of Friendship Associates. George Jones spoke on behalf of the Forest City Dillon proposal. Lavolia Baker advocated inclusion of minority women and contractors in the project. Mr. John Russell spoke on behalf of McAllister Street Properties. Mr. Ted Frazier and Benny Stewart, WAPAC indicated support of WAPAC for the Friendship Associates development.

Ms. Mary Rogers, expressed her opposition to the building of any condos expressing concern about the high cost of such housing and urged that the Agency impose a moratorium be put on construction of such units. She indicated that these were her own views and not those of WAPAC. In reply to Ms. Cassandra Howard's WAPAC inquiry, Mr. John Russell, McAllister Properties indicated that "adult family-oriented housing" meant adults living together or a family without small children. In answer to Mr. Glickman's inquiry Mr. Russell indicated that the development would not be restricted to such occupancy only that experience indicated it was the most feasible to develop. Mr. Rosetti, Coalition for Better Housing, indicated his support for this development since it increases the city housing supply. In reply to Mr. Glickman's inquiry Mr. Rosetti indicated that 90% of the housing excludes children because it is too expensive. Ms. Essie Collins, Board Member of WAPAC, indicated her support of Friendship Associates development.

Ms. Blomquist indicated her support of staff recommendation but inquired about concerns expressed by WAPAC on the feasibility of achieving the estimated costs. Mr. Edmund Ong, Chief of Architecture, indicated this site was in a fire zone and could not be wood frame construction however it would be Type 3 construction, which is the least expensive construction and with a building lower than the other proposals the construction cost could be expected to be less.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. GLICKMAN, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Newman
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (continued)

- (d). Resolution No. 77-81 authorization to enter into Legal Services Contract with Jones Hall Hill & White in connection with the Wharf Plaza I and II Development.

Approval is requested to contract for Legal Services with Jones Hall Hill and White to provide services as bond counsel services in connection with the tax exempt financing for Wharf Plaza I and II, a 100% Section 8 development outside any redevelopment project area. The developers of Wharf Plaza have requested that the Agency issue SB-99 construction financing for both Wharf Plaza I and II and SB-99 permanent financing for Wharf Plaza II. The Jones Hall Hill and White firm has previously provided bond counsel services in previous SB-99 bond issues and their familiarity with the Agency's programs will be useful in handling this financing expeditiously. Payment of this contract will be based on a standard percentage of the total amount of the bond issue and will be payable out of bond proceeds in the approximate amount of \$50,000.

In answer to Mr. Newman's inquiry, Mr. David Oster, Assistant Agency General Counsel, indicated that the bond issue size would be approximately \$15 million, and that the fee was a normal amount to pay for a bond counsel services. In answer to Mr. Glickman's inquiry, Mr. Oster indicated that this financing would not be affected by the Ullman Bill because it provides 100% Section 8 rental housing.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-81 BE ADOPTED.

- (e). Resolution No. 78-81 authorizing to pay the Agency's annual dues for membership in the National Association of Housing and Redevelopment Officials (NAHRO).

Authorization requested to pay the Agency's annual dues for membership in NAHRO in the amount of \$1,400. Mr. Hamilton indicated that NAHRO has been an effective influence in formulating national policy and procedure and has also been very helpful in obtaining HUD rulings and waivers beneficial to the Agency. HUD recognizes the value of NAHRO by approving payment of the dues from Federal funds.

In answer to President Berk's inquiry, Mr. Hamilton indicated that the membership fee is based on the population of the City and the size of its program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Glickman and unanimously carried

Minutes of a Regular Meeting, March 10, 1981

ADJOURNMENT (continued)

that the meeting adjourn. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Helen L. Sause".

Helen L. Sause
Secretary

APPROVED

June 23, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF MARCH 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of March 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte, Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee

and the following were absent:

Rubin Glickman, Vice President
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were M.J. Staymates, Western Addition Neighborhood Association (WANA); Steven Michaels, William Hammond Hall Society; Mary Rogers, Benny Stewart, Cassandra Howard, Western Addition Project Area Committee (WAPAC); Lavolia Baker, Lavolia Baker Insurance; William Tocco, Lee Dolson's assistant; Haig G. Mardikian, Robert S. Tandler, L. Jamerson; interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; Michael Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that the minutes of Regular Meetings of July 22, 1980, January 27, February 3, February 17, February 24 and March 10, 1981 be held for one week. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The calendared consideration of Wharf Plaza I and II SB-99 financing, will be requested for a one week continuance, due to the inability to obtain a private purchaser for the construction financing which necessitates restructuring the issue as a public offering.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The second and final session of the seminar being conducted by the Owner-Builder Center was held on Sunday, March 22 for the developers of sites in Hunters Point.

In response to an inquiry from Ms. Mary Rogers, Chair, Western Addition Project Area Committee, Mr. Hamilton indicated the criteria for inclusion in the SB-99 financing would be sent to her as well as the names of developers in A-2 that were eligible for inclusion in that program.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the parcel map for subdivision of Parcel 1100-D(1), easterly side of Beideman between O'Farrell and Ellis, Western Addition A-2.

Resolution No. 98-81 authorizing subdivision of Parcel 1100-D(1) and execution of Parcel Map and ratifying Publication of Notice of Public Hearing, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 99-81 authorizing a Second Amendatory to the Loan Disposition Agreement with Oscar Jackson and Jonathan Bulkley, Parcel 1100-D(1), easterly side of Beideman between O'Farrell and Ellis, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (b) would be continued for one week at staff request. There being no objection, it was so ordered.

- (c) Public hearing to hear all persons interested in the conveyance of Parcel 743-D, northeast corner of Turk and Van Ness, with Vanguard Developers, Western Addition A-2.

Resolution No. 100-81 authorizing a Land Disposition Agreement with Vanguard Developers for Parcel 743-D approving Disposition Value and Ratifying Publication of Notice of Public Hearing, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (c) would be continued for two weeks. There being no objection it was so ordered.

- (d) Resolution No. 101-81 authorizing a Second Amendatory Agreement to the Land Disposition Agreement with the Parking Authority for Parcel 792-A, northeast corner of Grove and Gough, Western Addition A-2.

Authorization is requested of a Second Amendatory Agreement to the LDA with the Parking Authority for development of the Parcel located at the northeast corner of Grove and Gough Streets in the Western Addition A-2. This garage will provide parking for the Performing Arts Center employees and visitors to the Civic Center Complex. The LDA was approved in April, 1980, with a First Amendatory Agreement authorized on December 16, 1980.

NEW BUSINESS (continued)

The Parking Authority's request for an extension of the performance schedule is due to the loss of the City's bond rating.

The present schedule requires conveyance by March 30, 1981 and it is proposed to extend this action to June 30, 1981; all other dates remain the same. If conveyance does not occur on June 30, new appraisals may be required and the Parking Authority has been advised of this possibility.

Ms. Margaret Brady, Director of the Parking Authority, indicated that she believed that City's bond rating would soon be available which would permit the bond sale and urged a favorable vote on the Second Amendatory.

In response to Mary Rogers' inquiry, Mr. Hamilton indicated that the air rights over the garage are apparently being considered by the Agency, Mayor's Office and Parking Authority. Ms. Rogers requested that WAPAC be advised of all the implications and included in future meetings. Ms. Brady indicated that this would be done.

Ms. Blomquist expressed her strong opposition to the garage and indicated her belief that it was not needed. She noted that the construction of the garage required demolition of 70 units of housing and that retention of the housing was more important than building the garage. She was also concerned about the additional traffic the garage would generate because she believed it would be disruptive to the neighborhood and she urged the Commission vote against this time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-81 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Lee
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Berk commented that she had opposed construction of the garage but had voted in favor of this extension because she now believed that the Agency had made a commitment to convey the site to the Parking Authority.

NEW BUSINESS (continued)

- (e) Resolution No. 102-81 approving offering of Agency-owned properties for sale and the preparation and printing of a Rehabilitation Offering Brochure, Victorian Square, 1712 Fillmore and 1724-1728 Fillmore, Western Addition A-2.

Mr. Hamilton recommended that this item be held one week in response to concerns expressed by WAPAC.

WANA Chair, Ms. Mary Jane Staymates, indicated that during the week she had wanted the Commissioners to consider her concerns and: the interests previously expressed by her and Dr. Colin Chew in purchasing one of the buildings in Victorian Square. They had requested that they be put on a list of any offerings, but had never received a notice of such offerings and indicated that she would like to know more about the lists of persons being given preference to purchase these buildings. Mr Hamilton indicated that staff had taken unusual care to reach people directly impacted and Certificate Holders in the area who had been in business or were now in business in the area. He noted that if a qualified Certificate Holder was not available it was recommended that the Agency make an offering of the property. In reply to Ms. Blomquist's inquiry, Mr. Hamilton confirmed that the item was recommended for holding over one week, so as to explore further ways to reach Certificate Holders. Ms. Blomquist observed that the buildings had been renovated and vacant for 1-1/2 years and she was concerned about any further delays. She suggested that it may be time to go out to a public offering.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner, that Item (e) be continued for one week. There being no objection, it was so ordered.

- (f) Resolutions No. 103-81 authorizing a Rental Agreement with William Hammond Hall Society for utilization of cleared Agency-owned land, Western Addition A-2.

Authorization of a 3-month rent-free Rental Agreement is requested with William Hammond Hall Society for the block bounded by Steiner, Ellis, Fillmore and Eddy and the westerly half of block bounded by Fillmore, Ellis, Webster and Eddy for Community Gardening purposes in the Western Addition A-2. This society is a non-profit organization with its offices in the Hall of Flowers in Golden Gate Park and its primary work is to administer and certify grants awarded by Mayor's OCD to garden projects in the city. They also provide technical assistance to area residents in setting up and maintaining garden projects and act as a liaison between owners of property under cultivation and tenants and gardeners. This interim use will not interfere with future development of the parcels.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-81 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 104-81 authorizing a Rental Agreement with Michael O'Neill and Sons, Parcel 743, northeast corner of Turk and Franklin, Western Addition A-2.

Approval of a rental agreement is requested with Michael O'Neill and Sons for use of the parcel located on the northeast corner of Turk and Franklin to store a construction crane. Mr. O'Neill is now completing the development on the southeast corner of Eddy and Franklin and the crane must be removed. He intends to use this equipment during construction on the adjacent parcel on which he is the designated developer. Construction is anticipated to begin after the property purchase is completed early in July. Mr. O'Neill will fence off and use 3,600 square feet of the 19,500-square-foot-parcel for a month-to-month rental at \$167 per month.

In reply to Mr. Lee's inquiry, Mr. Leo Borregard, Agency General Counsel, indicated that the Agency was adequately covered by insurance, and Mr. Michael O'Neill came forward and reaffirmed that he had adequate insurance coverage.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-81 BE ADOPTED.

- (h) Resolution No. 105-81 approving the method of sale and minimum disposal prices for Parcels S-6, AA-2 and DD-2, placement of advertising, Offering No. 5, Hunters Point.

Approval of Offering No. 5 is requested for the three remaining residential market-rate sites in Hunters Point. Parcel S-6 is a 50,153-square-foot-site recommended for development of 20 to 33 condominium or cooperative market-rate housing units and is the former location of the Hunters Point and India Basin Site Office, it will have a minimum disposal price of \$165,000. Parcel AA-2 is a 145,661-square-foot-parcel adjacent to Jedediah Smith School and is recommended for development of from 30-60 single-family, condominium or cooperative market-rate housing with a disposal price of \$270,000. Parcel DD-2 is a 69,741-square-foot-parcel and is recommended for development of from 20 to 30 condominium market-rate housing units, with a minimum disposal price of \$150,000. The developer's profit will be limited to 20 percent, and any profits in excess of that will be shared 50-50 with the Agency to assist in future affordable housing developments. The offering period will run for about 90 days beginning April 13, 1981, with a review and selection process for exclusive negotiations to be completed in approximately 60 days.

Mr. Robin Eden, Arcade Realty, inquired about the profit-sharing plan and expressed the belief it needed to be more definitive. Mr. Hamilton indicated that this Agency policy had evolved out of consideration of windfall profits that might be realized by a developer and the profit sharing is based on certified costs provided by the developers. Mr. Eden believed this profit limitation should be specified at the outset of the transaction, and Mr. Hamilton noted that the purpose of this policy was not to provide low-income housing,

NEW BUSINESS (continued)

but to provide benefit to future developments in the future there could be "set aside" units for moderate-income housing, and Mr Hamilton indicated that moderate-rate housing had been given a good deal of thought and there may be some achievable goals but these would not reach the needs of the low income. He noted that staff would evaluate this approach in Hunters Point and share with the Joint Housing Committee and the Commission the determination regarding a "set aside" program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-81 BE ADOPTED.

- (i) Resolution No. 106-81 approving Agreement with Pacific Gas and Electric Company for work related to Site Improvement Contract No. 30-a, Phase III, Hunters Point.

Approval of an Agreement with Pacific Gas and Electric Co. is requested for installation of gas and electric systems in Sites S-1 and S-2 in the Phase III area of Hunters Point, for a refundable advance of \$19,345.25. This work is presently being done under Site Improvement Contract No. 30A, and when completed the underground electric and gas systems will make available individual electric and gas services for future housing units in Site S-1 and S-2.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-81 BE ADOPTED.

- (j) Resolution No. 107-81 authorization to request the United States Army Corps of Engineers to undertake studies to determine their future participation in the development of the small boat harbor, Rincon Point - South Beach.

Authorization is requested to request the U.S. Army Corps of Engineers to undertake studies to determine the Corps' participation in the development of a small boat harbor in the Rincon Point - South Beach project which includes construction of a harbor to berth about 400 boats near China Basin. A breakwater will be required to shelter the boats from bay swells and waves. One of the Corps of Engineers programs is called the "Continuing Authority Funding" Program which would provide a maximum of \$2,000,000 of Federal funds. There are 3 steps necessary to determine the Corps' participation: (1) carry out a "Reconnaissance Survey" to access the Federal interest in the project that would take about six months; (2) Federal approval of the project would occur after preparation of a "Detailed Project Report" which takes about 18 months, if funds are available; (3) the Corp would then proceed with construction after contracting the Agency. There is no obligation incurred on the part of the Agency until a specific contract is executed with the Corps for construction. In addition the initial study does not prevent the Agency from applying for other sources of funds. If the Corps can help with the breakwater estimated to cost \$4,000,000, the feasibility of the harbor will be enhanced. This Harbor is an important

NEW BUSINESS (continued)

element of the project and if constructed early, could have a significant effect in setting the standard for development of the surrounding area, particularly the adjacent residential, a major component of the program.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-81 BE ADOPTED.

- (k) Resolution No. 108-81 authorizing the Issuance, Sale and Delivery of a Construction Loan Note in the Aggregate Principal amount of not to exceed \$7,500,000, Wharf Plaza I.
- (l) Resolution No. 109-81 authorizing the Issuance, Sale and Delivery of a Promissory Note in the Aggregate Principal Amount of not to exceed \$7,500,000, Wharf Plaza II.
- (m) Resolution No. 110-81 authorizing the Issuance, Sale and Delivery of a Construction Loan in the Aggregate Principal amount of not to exceed \$7,500,000, Wharf Plaza II.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner, that Items (k), (l) and (m) be continued for one week. There being no objection, it was so ordered.

- (n) Resolution No. 111-81 authorizing a Rental Agreement with Metropolitan Parking Corp. for use of vacant land, southeast corner of Folsom and Third, Yerba Buena Center.

Auhorization of a Rental Agreement with Metropolitan Parking Corp. is requested for use of 48,700-square-foot-parcel located on the southeast corner of Folsom and Third Streets in the Yerba Buena Center. This site was the subject of a settlement agreement growing out of past litigation between the Agency and Taylor-Woodrow, but is not scheduled for conveyance until late 1982. Originally this parcel was bid in October 1980 and at the meeting of November 12, 1980 staff recommended rejection of all bids because after the bid opening it was determined that due to certain rights afforded Taylor-Woodrow through the settlement agreement prohibited guarantee of a 12-month occupancy. Staff planned to rebid the contract on a month-to-month-basis; however this was found to be infeasible because of the improvements required, so it was then decided it would be more expeditious to negotiate the rental agreement, with the original highest bidder, Metropolitan Parking Corp. Metropolitan, has adhered to its bid and indicated that it would provide the site improvements with the Agency's assurance that if the agreement is terminated before the end of 12 months Metropolitan will receive a prorata repayment for the improvements. With this agreement the monthly rental rate of \$4,795.00 is recommended.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-81 BE ADOPTED.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that the meeting would recess for ten minutes. There being no objection, it was so ordered. The meeting recessed at 5:10 p.m.

The meeting reconvened at 5:20. with the same roll call.

- (o) Resolution No. 112-81 authorizing the acceptance of National Endowment for the Arts Design Program Award for cultural planning in connection with the Central Blocks, Yerba Buena Center.
- (p) Resolution No. 113-81 authorizing an amendment to a contract with the Center for Collaborative Problem Solving for professional services in connection with the Central Blocks, Yerba Buena Center.
- (q) Resolution No. 114-81 authorizing an amendment to a contract with Morrish and Fleissig Associated for professional services in connection with the Central Blocks, Yerba Buena Center.

These items concern acceptance of the National Endowment for the Arts Grant in the amount of \$17,000. On March 5, the Agency was notified that its grant request was approved for use in assisting the "public participation" portion of the cultural planning process. The Agency had authorized the matching funds for the grant when the application was made in November 1980. Part of the grant is to be used for the services of the Center for Collaborative Problem Solving and the architectural firm of Morrish and Fleissig. These firms will provide the services necessary to support the continued broad participation of the arts community in developing a mix of cultural programs for the YBC Central Blocks. It is recommended that \$5,000 of the grant would be matched by the Agency and used to have the Center for Collaborative Problem Solving assist the cultural community working groups in carrying out the four large community meetings planned for April, May, June, and July. At those meetings the arts community will consider the cultural program it plans to suggest for YBC. During this process there will likely be a need for difficult choices between the mix of arts uses and skilled neutral facilitators will be useful to successfully conclude this process. It is also recommended that \$9,000 of the NEA grant be matched by Agency funds to enable the architectural and planning firm of Morrish and Fleissig Associates to organize the material provided by the arts community's four working groups into "design scenarios", which portray the different potential mixes of cultural uses for YBC. A large workbook combining several such scenarios will be prepared for presentation to the arts community in May. During June and July, these scenarios would be refined into a single "cultural program" for presentation to the Agency and the developer for use in the LDA negotiation process. Mr. Hamilton indicated that the Agency General Counsel, Leo E. Borregard, had some concern about

NEW BUSINESS (continued)

acceptance of the grant. As a result Mr. Hamilton recommended that Item (o) be held for one week until the acceptance conditions recommended by Mr. Borregard are agreed to by the National Endowment for the Arts. Mr. Hamilton indicated that he recommended amending the Consultant Services contracts and expenditure of fifty percent of the amount pending acceptance of the NEA grant. He recommended authorization to execute an amendment in the amount of \$10,000.00 to the contract of the CFCPS and \$18,000 to the M & F contract.

Ms. Blomquist indicated that she believed the \$10,000 amendment to the CFCPS contract was excessive and urged that only \$5,000 be approved. She believed that Agency staff had run the last meeting and stated that she was unimpressed with the firm's performance. She recommended that the Agency's cultural consultant, Harold Snedcof, provide the services needed.

Ms. Helen Sause, Project Director for Yerba Buena Center, indicated that the Center had provided extensive preparation for the February meeting and because the Center was capable and knowledgeable the meeting had appeared to run without major efforts. She also stressed that during the intensive task force process the Center's technical assistance was needed. The next four meetings may be structured differently but the Center was essential to ensuring the effectiveness of all groups participation. During this period the cultural community will need to make difficult choices and the Center's assistance will be needed. The Center's time would be carefully monitored and if all of the \$10,000 was not needed it would not be used.

President Berk inquired about the contract amendments and Mr. Hamilton indicated that these were errors in the language which would be corrected when the amendments were finalized.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner Item (o) would be continued for one week. There being no objection it was so ordered.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE AMENDMENT TO THE RESOLUTION 114-81 WHICH IS THE CONTRACT WITH CFCPS BE REDUCED TO \$5,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-81 BE ADOPTED, AS AMENDED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-81, BE ADOPTED, AS AMENDED.

Minutes of a Regular Meeting, March 24, 1981

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 115-81 approving and authorizing execution of an Indemnification Agreement with Carlin Company, Inc., Mariners Village Development.

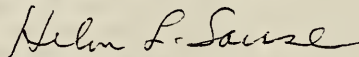
This item is necessary to permit site visits to Mariners Village by prospective purchasers of the units. The Agency's rehabilitation contractor, Carlin Company, Inc., has requested indemnification in connection with such visits.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

JUNE 16, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF APRIL 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 7th day of April 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Leroy King
Melvin D. Lee
Haig D. Mardikian

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and the following was absent:

Dian Blomquist
Walter S. Newman

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Essie Collins, Arnold Townsend, Western Addition Project Area Committee (WAPAC); R. Donner, A. Zolnay, State Department of General Services, Real Estate Division; Betty Brooks, Assemblyman Willie Brown, Jr.; Clifton Jeffers, Vanguard Developers; Carolyn Phillips, P.I.N.E. Project; Fred Levinson, Levinson Brothers; Norma Oliphant, Brilton Fong, and Eleanor Dwigham interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; Michael Mewhinney, San Francisco Progress; and Amelia Ashley, Sun Reporter.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. King and unanimously carried that the minutes of a Closed Session of March 17, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On behalf of himself and the staff, Executive Director Wilbur W. Hamilton welcomed Mr. Haig G. Mardikian to the Commission.
- (b) He noted that the Yerba Buena Center cultural meeting held on Saturday, April 4 was well attended.

NEW BUSINESS

- (a) Resolution No. 112-81 authorizing the acceptance of National Endowment

NEW BUSINESS (continued)

for the Arts Design Program Award for cultural planning in connection with the Central Blocks, Yerba Buena Center. Mr. Hamilton requested that this matter be held one week.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week. There being no objections, it was so ordered.

- (b) Resolution No. 124-81 authorization to execute a Letter Agreement with Pacific Gas and Electric Company for the design of an underground utility system, Yerba Buena Center.

Authorization is requested to execute an Agreement with PG & E for preparation of plans and specifications for undergrounding overhead electrical facilities along Harrison and Hawthorne Streets in Yerba Buena Center in an amount not to exceed \$36,000.00. The Redevelopment Plan for YBC provides for undergrounding utilities, and currently there are 13 property owners who have executed Owner Participation Agreements and have substantially completed their improvements with the exception of connecting with underground electrical facilities. This work will also complete the Agency's undergrounding program in Yerba Buena Center. After design is completed a contract will be bid on the work that will include trenching, backfilling, furnishing and installation of conduits, transformer enclosures and splice boxes. In conjunction with that contract, the Agency will enter into another Agreement with PG & E to provide for completion of the electrical system. Both of these contracts will be calendared for Commission consideration at a later time.

In reply to Mr. Lee's inquiry, Mr. Demetrio Salvador, Chief of Engineering, indicated that the amount of \$36,000.00 was based on PG & E's estimate for the work.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-81 BE ADOPTED.

- (c) Public hearing to hear all persons interested in the conveyance of Parcel 743-D, northwest corner of Turk and Van Ness, with Vanguard Developers, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 743-D, Western Addition A-2.

Resolution No. 100-81, authorizing a Land Disposition Agreement with Vanguard Developers for Parcel 743-D, approving disposition value and ratifying publication of Notice of Public Hearing, Western Addition A-2.

Authorization is requested to enter into a Land Disposition Agreement with Vanguard Developers for the 22,300-square-foot-parcel located on the northeast corner of Turk Street and Van Ness Avenue. Vanguard proposes to build a 175,000-square-foot-office complex with six

NEW BUSINESS (continued)

stories on Van Ness Avenue frontage and an eleven story tower at the rear of the site. Exclusive Negotiations were granted in August 1979 with extensions granted to permit the developer time to negotiate an agreement with GSA, who will be the primary tenant leasing the space for the HUD offices. This lease required Congressional approval. The lease negotiations between Vanguard and GSA have been recently completed and the lease form has been signed by Vanguard and submitted to the Agency for our review prior to complete execution. The Agency is also in receipt of a letter from Mr. Yakis, GSA Regional Space Allocation Director, indicating that GSA fully expects to execute the lease within the next 30 days. Mr. Hamilton expressed the belief that this is sufficient assurance to execute the LDA with Vanguard Developers which will begin the 30-day period.

Mr. Robert Tandler of D & G Associates, who had been a competitive bidder on this property indicated his belief that an executed lease was a condition precedent to the LDA being executed. Mr. Hamilton indicated there was no reason to believe that the lease would not be signed and noted that development is subject to the LDA performance schedule.

Mr. Leo Borregard, Agency General Counsel, noted that the developer has no rights against the Agency as a result of this LDA being approved until the lease is executed. Mr. Hamilton concurred and noted that the lease would be brought back to the Commission within 30 days.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-81 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in the conveyance of Parcel 743-A, south side of Eddy Street between Van Ness and Franklin, with Eddy Place Associates, Western Addition A-2.

Resolution No. 125-81 authorizing a Land Disposition Agreement with Eddy Place Associates for Parcel 743-A, approving Disposition Value and Ratifying Publication of Notice of Public Hearing, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (d) would be continued for two weeks. There being no objections, it was so ordered.

- (e) Resolution No. 126-81 authorizing an extension of Exclusive Negotiations with the Department of General Services, State of California for Parcel 767-A, bounded by Golden Gate, Franklin and Redwood, and 767-B, bounded by Van Ness Avenue and McAllister and Redwood Streets, Western Addition A-2.

NEW BUSINESS (continued)

Authorization is requested for a second extension of Exclusive Negotiations with the Department of General Services of the State of California for a 90-day period for development of a State Office Building, located on Van Ness between Golden Gate and McAllister Streets. This will be carried out in conjunction with adjacent State-owned property. On March 25, 1980, Exclusive Negotiating Rights were granted for the proposed 210,000-square-foot-office building which will also have a two-level subterranean garage for 225 cars which the estimated construction cost is \$25 million. During this extension period it is expected that the LDA negotiations will be completed and that the State Legislature will appropriate the necessary funds for acquisition and construction. The final construction documents will be ready for bid by August 1981 with construction to start in January 1982. This schedule requires conveyance of a cleared site in January of 1982 and it is necessary to begin immediately the relocation of the commercial and residential tenants. Mr. Hamilton noted that 90-day notices would be sent out after approval of this extension.

In reply to Mr. Mardikian's inquiry, Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that the businesses and residents had not been specifically notified of this meeting but noted they were aware they would have to move. Mr. Hamilton noted they would be advised of the schedule and also that they can express their concerns to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-81 BE ADOPTED.

- (f) Public hearing to hear all persons interested in the conveyance of Parcel 707-B, northwest corner of O'Farrell and Steiner, with Goodlett Management Corporation dba Kimball Park Project, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 707-B, Western Addition A-2.

Resolution No. 127-81 authorizing execution of a Land Disposition Agreement with Goodlett Management Corporation dba Kimball Park Project, for Parcel 707-B, approving Disposition Value and Ratifying Publication of Notice of Public Hearing, Western Addition A-2.

Authorization is requested to enter into a Land Disposition Agreement with Goodlett Management Corporation., dba as Kimball Park for the parcel located on the northeast corner of O'Farrell and Steiner Streets. In 1976, an LDA was authorized with Dr. Goodlett for development of 13 market-rate condominiums on this site, but the developer did not proceed due to various problems in obtaining financing and carrying out other commitments. In January 1981 the Commission again authorized exclusive negotiations with Goodlett Management Corp to construct 20 two-bedroom, 1,020-square-foot-units, with a projected sales price of \$150,000 each. The

NEW BUSINESS (continued)

performance schedule is as follows: submit evidence of financing, January 29, 1982; commence construction, April 1, 1982; and completion of construction in June 1983. The developer hopes to accelerate this schedule. It should be noted that language will also be added to this LDA to control development to require the developer to obtain Agency review and approval of any additions or substantial modifications proposed after conveyance.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

In reply to Mr. Lee's inquiries, Mr. Richard Kono, Acting Development Director, indicated that the last appraisal was done in November 1980 and that financing could not be obtained until final working drawings are ready. Mr. Lee indicated he would like to see the performance dates expedited as much as possible. Mr. Hamilton concurred indicating that the Mayor had stated that she wanted this Fillmore Center development to proceed as quickly as possible and offered her personal assurance that City permits would be handled expeditiously.

In reply to President Berk's inquiry, Mr. Kono indicated that the 14 months construction more closely and the 14 months is more accurate than 12 months.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-81 BE ADOPTED.

- (g) Resolution No. 128-81 authorization to enter into a contract with Thomas Bush, General Contractor, for the exterior repairs at 1109 Geary Street, Western Addition A-2.

Authorization is requested to enter into a contract with Thomas Bush for exterior repairs of the Goodman Building, in an amount not to exceed \$14,095. At the meeting of February 24, 1981, a contract was authorized with Briggs Development, Inc. in the amount of \$6,572.96 to effect these repairs caused by an Alhambra Water Delivery Truck. However, Briggs was unable to obtain the necessary Performance and Materials Bonds and Insurance and was therefore in default. The insurance company for Alhambra will pay for the repairs and they agreed to a change in the amount of reimbursement to the Agency based on selection of the next low bidder, Thomas Bush. Mr. Bush has advised the Agency he will be able to provide the necessary bonds and insurance.

In reply to Mr. Lee's inquiry, Mr. Mills indicated that the time period for the work was 90 days, with a \$50.00 a day penalty clause.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-81 BE ADOPTED.

NEW BUSINESS (continued)

- (h) Consideration of ratifying placement and authorizing payment for fire and extended insurance coverage and general liability insurance for the John Swett Community Facility, Western Addition A-2.

Ratification of the placement of insurance coverage with the firm of Johnson & Higgins for the A-2 Community Facility is requested in the amount of \$4,267.00 for the period of November 14, 1980 to April 26, 1981. This facility is expected to be transferred to the City by or shortly after April 26. In 1978 the Commission authorized an agreement between the City and the Agency for design and construction of this facility with transfer to the City for operation upon completion. Construction is completed except for some installation of the fire and burglar alarms. Booker T. Washington Center will be the nonprofit operator of the facility and anticipates it will be open by the end of May. Should there be unforeseen delays in the transfer coverage will be kept in effect and staff will advise you of any additional premiums.

MOTION: IT WAS MOVED BY MR LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RATIFYING PLACEMENT AND AUTHORIZING PAYMENT FOR FIRE AND EXTENDED INSURANCE COVERAGE AND GENERAL LIABILITY INSURANCE FOR THE JOHN SWETT COMMUNITY FACILITY, WESTERN ADDITION A-2, BE APPROVED.

- (i) Resolution No. 129-81 authorization for travel and related expenses for staff to attend the Urban Land Institute's (ULI) 1981 Spring Meeting in Portland, Oregon, April 24-27, 1981.

Authorization is requested for Redmond Kernan, Deputy Executive Director, and Frank Cannizzaro, Project Director, Rincon Point - South Beach to travel to Portland and to pay for the registration of Helen Sause, Yerba Buena Center Project Director, to attend the Urban Land Institute's 1981 Spring Meeting April 24-27, in an amount not to exceed \$2,200.00. This meeting will include subjects such as Urban Development/Mixed Use workshops; Large-Scale Development/Federal Policy workshops and other sessions beneficial to staff in carrying out the Agency's program. Mr. Kernan will be a panelist on the Development Systems and Services Workshop regarding "Waterfront Development - What is Working and What is Not". The program features sessions of vital concern to Ms. Sause and Mr. Cannizzaro in their capacities as project directors. Ms. Sause will be in Oregon on personal business and will pay for her own travel and subsistence.

WAPAC chairperson, Ms. Mary Rogers, inquired if this conference would apply to Fillmore Center and Mr Hamilton indicated that it was more applicable to large-scale mixed-use development; however, staff would send her the program for the ULI conference.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-81 BE ADOPTED.

NEW BUSINESS (continued)

- (j) Consideration to authorize Project Liability Insurance, all projects.

Authorization is requested to accept the Levinson Bros., Inc. proposal of an annual premium of \$49,850.00 for Project Liability Insurance for Bodily Injury and Property Damage for all Redevelopment Project Areas. Seven brokers were solicited and three proposals received. The lowest quote is from Levinson Bros., Inc. with a deductible of \$2,500.00. The second low quote from Johnson & Higgins at \$54,750 has no deductible. Even though both quotes are competitive, staff recommends selection of Levinson Bros., Inc. with the deductible as the total project liability claims for each of the last three years has been less than \$1,000 with none occurring in 1980.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE LEVINSON BROS., INC. PROPOSAL FOR PROJECT LIABILITY INSURANCE IN THE AMOUNT OF \$49,850.00 FOR ALL PROJECTS, BE APPROVED.

- (k) Workshop on the Agreement for Disposition of Land with Safeway Stores, Inc., for Parcel 725-A, B, C & D and 708-A and B, located in the blocks bounded by Fillmore, Eddy, Webster and Geary Streets, Western Addition A-2.

This workshop is to outline the provisions of the Land Disposition Agreement with Safeway for the parcels located in blocks bounded by Fillmore, Eddy, Webster and Geary Streets. The LDA is brought before the Commission for action at the next regular Agency meeting. Mr. Hamilton and Mr. Doug Myers, Project Coordinator, gave a brief status report on each development proposed for the Fillmore Center.

Mr. Wade Woods, Deputy Director of WAPAC, and Ms. Mary Rogers, Chairperson, WAPAC, indicated some of their concerns regarding the provisions in the Agreement with regard to the Affirmative Action. At this time Mr. Glickman left the meeting, 6:30 p.m. Mr. Nicholas Dempsey of Safeway spoke on behalf of Safeway and their intent in carrying out the proposed Affirmative Action Program, noting, however, that the firm was also obligated to adhere to its collective bargaining agreements. Other discussion occurred on various aspects of the store location, design and other developments in the Center.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:35 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

APPROVED

June 16, 1981

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4/21/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF APRIL 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of April 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

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RECORDS SECTION

and the following were absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were C. Phillips, Terence Hallinan, M. L. Young, D. Flynn and C. W. Krause, interested citizens.

Representing the press was Michael Mewhinney, San Francisco Progress.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the conveyance of Parcel 743-A, south side of Eddy Street between Van Ness and Franklin, with Eddy Place Associates; Western Addition A-2.

Mr. Hamilton requested that this item be continued to May 12, 1981.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this public hearing would be continued to May 12, 1981 at staff request. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A notice has been received from the Chair, Planning, Housing and Development Committee of the Board of Supervisors, which requests a hearing and review of this Agency by that Committee. Mr. Hamilton indicated that under the City's Administrative Code Sections 2.90 and 2.91, this is a routine review of City's Departments and, therefore, technically does not apply to the Agency,

REPORT OF THE EXECUTIVE DIRECTOR (continued)

but recommended the staff appear and respond to the request. It is understood that the review will be of activities, purposes, mission, costs and effectiveness of the Agency's program. Mr. Hamilton indicated that the Commission be kept informed on this matter.

- (b) Before the Planning, Housing and Development Committee today is an item being considered on the effects of redevelopment in the South of Market and the Rincon Point-South Beach area. This issue is being heard at the request of Mr. Lee Myerzove. Mr. Hamilton recalled that at the time of the hearing on the RPSB Plan with the Board of Supervisors, Mr. Myerzove asked that special consideration be given to residents of South of Market, both in hiring and occupancy of housing. He noted that Project Director, Frank Cannizzaro, is attending the meeting to respond and a report on the outcome of those proceedings will be provided.

NEW BUSINESS

- (a) Resolution No. 140-81 authorizing execution of an Agreement between the Redevelopment Agency and the City and County of San Francisco to administer the UDAG Contract between the Department of Housing and Urban Development for the Fillmore Neighborhood Commercial Development Project, Parcel 725-A, B, C, & D and 708-A, blocks bounded by Geary, Webster, Ellis and Fillmore, Western Addition A-2.

Authorization of an Agreement between the Agency and the City for the administration of the Urban Development Action Grant (UDAG) Contract for the Fillmore Center located in the blocks bounded by Geary, Webster, Ellis and Fillmore in the Western Addition A-2. In October 1980 the Commission authorized staff to prepare and transmit to the Mayor a UDAG application for the Fillmore neighborhood Commercial Department, which was to be accepted by the City in the form of a contract with HUD. This contract was incorporated in and made a part of the LDA with Safeway Stores, Inc., and since the City has asked the Agency to administer the UDAG, an agreement has been prepared which will be executed by the City and Agency addressing administration of the performances required under UDAG.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-81 BE ADOPTED.

- (b) Resolution No. 141-81 authorizing execution of a First Amendatory Agreement to the Agreement for Disposition of Land with Donald J. Gordon, Parcel 714-A(2), northwest corner of Van Ness Avenue and Myrtle Street, Western Addition A-2.

Authorization is requested to execute a First Amendatory Agreement to the LDA with Donald Gordon for the parcel located on the northwest corner of Van Ness Ave. and Myrtle Street. The LDA with Mr. Gordon was approved in Nov. 1979 for the construction of a six-story steel frame-concrete commercial/office building. The day after the LDA was approved, Mervyn Goodman, the previous owner of the property filed a lawsuit against the Agency and a "lis pendens" was recorded making it impossible for the Agency to convey the property with a clear title. Agency staff filed a motion to remove the lis pendens on grounds that Mr. Goodman's suit does not affect the title of the land and Judge Brown granted that motion on November 26, 1980. However, Franklin Dill, Mr. Goodman's attorney then filed two petitions for Writ of Mandate appealing the decision, but both appeals were rejected and the lis pendens was expunged on March 25, 1981. Unfortunately, during this legal process, Mr. Gordon stopped work on the design until there was some resolution of the issue. He now proposes to "fast track"

NEW BUSINESS (continued)

the development and requests a revision to the Performance Schedule to permit submission of Evidence of Financing changed from August 15, 1980 to July 22, 1981; and convey the site from November 15, 1980 to August 13, 1981. Should conveyance not occur on or before August 13, new appraisals may be warranted, based on HUD requirements.

Mr. Leo Borregard, Agency General Counsel, indicated that since the developer would be "fast tracking" his development, that the Agency reserve its design review to a later time as this would assist the developer. Mr. Glickman expressed concern about basing the sales price on an appraisal obtained in 1979, and Mr. Hamilton indicated that it was also a concern to staff and they will soon be bringing forth a new policy, but recommended that since the legal circumstances relating to this delay were not caused by the developer, the land price should not be changed. Mr. Lee expressed his pleasure that the developer is "fast tracking" his development and wished more developers would do the same and he also asked Mr. Gordon the name of his architect. Mr. Gordon indicated Ottoman and Redstone. Mr. Hamilton recommended approval, subject to HUD approval, if required.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-81 BE ADOPTED SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AS MAY BE REQUIRED.

- (c) Resolution No. 142-81 authorizing the execution of an Owner Participation Agreement with Essie L. Collins for 1970 Eddy Street, Western Addition A-2.

Approval is requested to enter into an Owner Participation Agreement with Essie L. Collins for the property located at 1970 Eddy Street. This wood-frame two-story building with basement, has four units. The rehabilitation cost is \$81,150 and will be financed with a HUD Section 312 Loan. This loan was reviewed and approved by the 312 Loan Committee in September 1980. This is the second Owner Participation Agreement with this owner for the same property. The first was entered into in August 1968 and completed in 1969 in the amount of \$10,750. This includes the work which the owner could not afford in 1968, but was needed to meet Agency Standards. The rentals for the units range from \$350 to \$375 per unit.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-81 BE ADOPTED.

- (d) Resolution No. 143-81 authorizing termination of Agreement for Disposition of Land with Robert J. Sheppard and Julia M. Sheppard and Herman M. Cline and Baldwin Cline, for Parcel 780-E, west side of Webster between Fulton and McAllister, Western Addition A-2.

Approval is requested to terminate the LDA with Robert & Julia Sheppard and Herman and Baldwin Cline for the parcel located on the west side of Webster between Fulton & McAllister and to refund the developer's security deposit in the amount of \$260. The LDA was approved in January 1979 for development of three residential units, but the developer was unable to secure a mortgage financing commitment. A workshop in March 1980 was held to consider rental developments which the developers wished to convert to condominiums, because of rising construction costs. At that time there was tentative approval that the Sheppard and Cline development could be connected, but a complete redesign of the units was necessary, which the developer was unable to pay for. The

NEW BUSINESS (continued)

use of the SB-99 financing mechanism was investigated and the project was initially included in the large Opera Plaza bond issue. However, it was found that it was infeasible to carry small developments by larger developments and a default notice was then issued on October 21, 1980. The developer has indicated a lack of desire to proceed, but did not formally agree to termination. Staff now recommends terminating this LDA and placing this parcel in the next land offering.

- (e) Resolution No. 144-81 authorization to execute various documents to implement the sale of the Mariners' Village Condominium Development, Mariners Village.

Authorization of various documents is requested to implement the sale of the residential units in the Mariners Village Condominium Development (Inchon Village). Staff is in the process of qualifying prospective purchasers for occupancy of the project in early June. Before the sales are completed, the following documents for implementing the development must be executed and filed: Enabling Declaration Establishing a Plan for Condominium Ownership; Articles of Incorporation and Bylaws of the Homeowners Assoc. and payment to Secretary of State a \$220 filing fee; Regulatory Agreement of the Assoc.; Condominium Subdivision Map; deed for dedication and conveyance of public streets and utility easements to the City; Condominium Plan; any and all other documents as may be necessary

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-81 BE ADOPTED.

- (f) Resolution No. 145-81 authorization to execute an amendment to Agreement for Legal Services with Steefel, Levitt & Weiss, all project areas.

Approval is requested to amend the Legal Services Contract with Steefel, Levitt & Weiss to provide legal services for all redevelopment project areas. When this Agreement was executed in January 1981, the Agency had an existing contract with the Dinkelspiel firm for all projects and to avoid what appeared at the time to be a duplication of services, the YBC project was deleted from their contract, putting that portion into the Steefel firms' contract. Since that time it has become apparent that the services of the Steefel firm, particularly their specialized real estate advisor, Stephan Cowan, is needed in connection with the Fillmore Center, the proposed lease with the Port in Rincon Point-South Beach and possible other project areas. The Dinkelspiel firm and the Steefel firm both have different areas of expertise and it is not a duplication of services to have both firms available for all project areas. It will also not increase the total contract amounts. It is requested that this amendment be approved as of March 1 as various issues arose at that time in connection with the Safeway development that required staff to consult with the Steefel firm.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 145-81 BE ADOPTED.

- (g) Resolution No. 146-81 authorization to engage the Blue Print Service Company for reproduction of the 1981 "San Francisco Redevelopment Program-Summary of Project Data and Key Elements" Fact Book.

Authorization is requested to engage Blue Print Service Co. for reproduction of the 1981 edition of the San Francisco Redevelopment Program Summary of Project Data and Key Elements, commonly known as the "Fact Book" in an amount

NEW BUSINESS (continued)

not to exceed \$5,174.90. Since the Agency's print shop has been phased out recently, staff is now obliged to use outside printing services to reproduce the annual information document. Three bids were received for this work with Blue Print Service Company as the low bidder. Work will include color reproductions of the cover, 13 project area maps, reproduction of approximately 100 pages of text, assembly, and binding of 1,500 copies. The Fact Book is regarded as a necessary adjunct to the Agency's program and is used internally for reference purposes, as well as externally for describing the San Francisco redevelopment program and its current status.

Mr. Mardikian inquired how soon the new Fact Book would be ready and Mr. Thomas Conrad, Chief of Planning, indicated that it would be ready in approximately two weeks. Mr. Mardikian indicated that the Fact Book was very useful, but he believed it would be more effective if it were published earlier in the year. Staff indicated their understanding and noted that efforts would be made to provide this information sooner.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton introduced two new staff members to the Commission, who would be working in the Development and Real Estate Division: Messrs. David Stolloff, Senior Development Specialist, and Don Boykin, Development Specialist.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

June 23, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF APRIL 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of April, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Leroy King

The President declared a quorum was present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Essie Collins, Benny Stewart, Western Addition Project Area Committee (WAPAC); David Ishida, Sandy Ouye-Mori, Steve Nakato, Kent Kiura, and Dennis Hayashi, Kimochi, Inc.; Yori Wada, Japanese-American Religious Foundation; Robin Eden, Arcade Realty; Sammie Dukes, Dukes-Dukes and Associates; Willie Bradley, Richard Fined, American Building Maintenance; R. Garbarino, Bekins Building Maintenance; W. Turnbull, Jr., Turnbull Associates; and Misha Berson, Theatre Communications Center of the Bay Area.

Representing the press were Gerald Adams, San Francisco Examiner; and Michael Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of an Executive Session of November 5, 1980, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) It is anticipated that the Olympia and York (O&Y) Phase I Status Report on the Yerba Buena Center Central Blocks would be received late today, and it will be widely distributed to the Commissioners, Directors Advisory Group (DAG), and appropriate local officials for information.

NEW BUSINESS

- (a) Consideration of approving a site for a Performance Facility as requested by Four Embarcadero Center Venture, Embarcadero-Lower Market Area Project E-1.

In connection with the Sixth Amendatory Agreement between the Agency and the Embarcadero Center authorization is requested to extend to June 1, 1981 consideration of a site for an outdoor theatre facility. The Agreement provides for approval of a specific site for facility, or acceptance of the sum of \$450,000 in lieu of that facility. Mr. James Bronkema, representing the Embarcadero Center, has requested additional time to prepare information which is needed by staff in connection with making a recommendation to the Commission on that decision. The Sixth Amendatory Agreement requires that this matter be acted upon today, or the money is automatically paid to the Agency. Staff supports the extension conditioned on having the agreement of all the parties who are signatory to that Sixth Amendatory Agreement by the effective date of May 1, 1981. Mr. Bronkema has assured staff that this will be done. There have been meetings with Embarcadero Center, Inc., its architects, representatives of the cultural community, and senior staff. It is believed that there is not a clear understanding of all the issues involved, because the developer has not had an opportunity to provide the programming information considered critical to an equitable decision.

Ms. Misha Berson, Director of the Theatre Communications Center of the Bay Area, expressed her belief that an outdoor theatre was inappropriate in that area and would not benefit the art community. She urged her support for the Agency's acceptance of the money to be used for existing cultural programs.

Mr. Bronkema commented that he did not feel the meetings had been attended by people who were representative of performing groups he had hoped the facility would serve.

MOTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. GLICKMAN THAT AN EXTENSION TO JUNE 1, 1981 BE GIVEN EMBARCADERO CENTER, INC., CONDITIONED UPON THE AGREEMENT OF THE PARTIES WHO ARE SIGNATORY TO THAT SIXTH AMENDATORY AGREEMENT BY MAY 1, 1981.

In reply to Ms. Blomquist's inquiry, Mr. Hamilton indicated there would be no plans developed, only a program. Ms. Blomquist then referred to the comments of Ms. Sue Hestor at the last Agency meeting on this subject and requested a copy of these minutes. This information provided background on the facility to be built by the Embarcadero Center for the theatre community, the reason why the theatre was requested, and the intended purpose. She wished to see the actual language rather than a paraphrase. Mr. Hamilton recalled that the developer was never committed to building a facility. Ms. Blomquist reiterated her request for information on the specific background reasons for the theatre so it could be given to the Agency in writing and considered on that basis. Mr. Glickman commented on Ms. Hestor's testimony and noted that the Commission had already faced this issue, but would be happy to consider it again.

President Berk then called for the vote, on the motion made by Mr. Newman and seconded by Mr. Glickman.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. GLICKMAN THAT AN EXTENSION TO JUNE 1, 1981 BE GIVEN EMBARCADERO CENTER, INC., CONDITIONED UPON THE AGREEMENT OF THE PARTIES WHO ARE SIGNATORY TO THAT SIXTH AMENDATORY AGREEMENT BY MAY 1, 1981, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Ms. Blomquist
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Public hearing to hear all persons interested in the execution of a deed for dedication and conveyance for Parcel 772-A, Western Addition A-2 Project Area.

President Berk opened the public hearing to hear all persons interested in the execution of the deed for dedication and conveyance of Parcel 772-A, Western Addition A-2.

Resolution No. 147-81 approving and authorizing execution of a deed for dedication and conveyance of the John Swett Community Facility on Parcel 772-A to the City and County of San Francisco, and ratifying publication of notice of public hearing, Western Addition A-2.

Approval of a deed is requested dedicating and conveying to the City the completed Western Addition Community Facility. This development is located in the block bounded by Golden Gate Avenue, Buchanan Mall, McAllister and Webster Streets. Mr. Hamilton noted that a key element of the Western Addition A-2 Redevelopment Plan was the development of facilities to provide services to residents of family housing, and in 1972 work began on determining the type of facility that would best serve the adjacent residents. In 1974 the Board of Education appropriated funds to develop plans for a combined school-community facility to replace the old John Swett School. However, in 1978 the San Francisco Unified School District was mandated to complete the earthquake resistance program at a time when the school population was declining; therefore, this new facility was given a low priority. The 1976 Public Works Act provided funds for community facilities, and an application was filed for \$2.3 million to build such a facility. It was approved in 1977 and the plans for the combined facility were revised to eliminate the school portion to provide for a gymnasium, child care space, general purpose space, and a kitchen to serve the child care space, plus space for offices, conference, and storage, as well as provision for an outdoor children's playground, a quiet sitting area for senior citizens, and four tennis courts. The City agreed to assume responsibility for the actual construction. When completed, the Agency would dedicate and convey

NEW BUSINESS (continued)

the facility, and the City would be responsible for constructing with a private nonprofit entity, acceptable to the community, to operate it. After extensive discussions and interviews, Booker T. Washington was selected to operate the facility, which should be in operation by June. Final inspection on this facility was held on April 20, 1981 and accepted by the City Architect.

Mrs. Mary Rogers, Chairperson of WAPAC, indicated that WAPAC supported staff's recommendation and commented on the role WAPAC had played in assisting in the efforts to get the money to build the facility. There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-81 BE ADOPTED.

- (c) Public hearing to hear all persons interested in the parking variance for development of Block 687, Lot 35, and Block 688, Lot 31, Western Addition Project Area A-2.

President Berk opened the public hearing to hear all persons interested in the parking variance for development of Block 687, Lot 35, and Block 688, Lot 31, Western Addition A-2.

Resolution No. 148-81 authorizing a variance from the off-street parking development standards of the Redevelopment Plan for the Western Addition Project Area A-2 pertaining to Lot 35 in Block 687 (JARF) and Lot 31 in Block 688 (Kimochi) and approving off-site parking for development on Lot 31 in Block 688 (Kimochi), Western Addition A-2.

A parking variance for Kimochi, Inc. and the Japanese-American Religious Federation (JARF) and approval of off-site parking for Kimochi, Inc. is recommended. The variance would reduce the required five spaces to two for the Kimochi development, permit the two to be located off-site within the JARF housing development, and reduce the number of parking spaces required by the Redevelopment Plan from one space for each three units to one for five in the existing 175-unit JARF moderate-priced housing project. JARF has indicated that of the 58 parking spaces available, a maximum of 20 have been assigned. The Land Disposition Agreement (LDA) for Kimochi was approved in February 1981 to construct a board and care facility for 20 elderly residents. In order to provide even the two parking spaces, Kimochi would have to eliminate the landscaped front yard and substantially reduce the community facilities area on the ground floor. In order to provide the five spaces, Kimochi would either have eliminate the ground level services, or go to the expense of constructing an additional floor. JARF adjoins the rear yard of the Kimochi property and is easily accessible. The proposed parking variance is in compliance with the parking requirements in the City Planning Code.

Ms. Sandy Ouye-Mori, Project Coordinator of Kimochi, spoke on behalf of Kimochi and urged that the Commission vote in favor of the parking variance. Mr. Newman indicated his concern about granting the variance and inquired why Kimochi was not requesting JARF to provide for five spaces off-site. Mr. Yori Wada, JARF, indicated Kimochi only requested two spaces, and Ms. Mori indicated that since the residents were provided transportation they had no need for parking spaces. Mr. Newman expressed concern about the staff and visitor parking. Since the Plan required five spaces, he recommended the leasing of five spaces for

NEW BUSINESS (continued)

visitors, staff, and residents. Ms. Mori then indicated that they did not want to be asking for more of JARF than it could give. Mr. Lee noted that the variance was only from the Redevelopment Plan and that the City Planning Code only required two spaces. He urged approval of the variance. Mr. Glickman asked Mr. Wada if he had the ability to lease three more parking spaces without the JARF impairing its activities, and Mr. Wada indicated it had at least 20 spaces available. Mr. Glickman indicated his strong support of this community organization but noted that it appeared logical to allocate five spaces which could revert to JARF if not used. Ms. Mori expressed concern that going back to the JARF Board with the request for additional parking spaces would delay construction. Ms. Blomquist indicated that this would work a hardship on Kimochi and urged the Commission to approve staff's recommendation.

MOTION: : IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MR. LEE THAT RESOLUTION NO. 148-81 BE ADOPTED.

Mr. Dennis Hayashi, Kimochi's legal counsel, urged the Commission to vote for this variance. Mr. Hamilton noted that the concerns about this issue were ones that the Agency and developers would work to resolve but recommended that the Commission grant the variance with consideration for the five spaces later. Mr. Glickman concurred noting that he would vote for granting the variance with the condition that Kimochi and JARF would negotiate for the other three spaces later. Mr. Newman indicated he endorsed the project completely, but would vote against the variance.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MR. LEE THAT RESOLUTION NO. 148-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Mr. Mardikian
Mr. Newman

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (d) Resolution No. 149-81 approving the second amendment to the California First Bank Loan Agreement, Residential Rehabilitation Program, Western Addition Area A=2 Project.

This item proposes an extension of the loan agreement with the California First Bank for the rehabilitation of 1431 and 1435 Eddy Street. This extension allows the Agency to make mortgage loans under the agreement until May 31, 1981. The agreement was first amended March 31, 1981, and it is anticipated that the funds will be used for this rehabilitation in accordance with the approved LDA's with Leola King Wilson and Sam Hopkins and his partners. The developers have now obtained firm commitment for essentially all funds needed, except for a few unresolved matters, and appear to have the capacity to close the transaction

NEW BUSINESS (continued)

well before May 31, 1981, which is the LDA conveyance deadline. The bank has agreed to this extension.

Mrs. Rogers inquired as to how the interest earned by the Agency on the money invested was used. Mr. Hunter Johnson, Chief of Rehabilitation, indicated that it was kept in reserve in case one of the mortgagees was late or missed a payment, and it would eventually be used to reduce the outstanding balance. Mrs. Rogers then indicated that she asked that the Agency consider having the interest revert to the community, and Mr. Johnson indicated that there were certain constraints on this money due to the tax-exempt status of the loan. Mrs. Rogers then asked to see the loan agreement and requested that the item be tabled until she could review the interest provisions of the agreement. Mr. Hamilton recommended that the item be approved, because Mrs. Rogers' concerns had no bearing on this item. Mrs. Rogers then requested that staff clarify the use of the interest money, and Mr. Johnson indicated he would supply her with that information and a copy of the loan agreement.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-81 BE ADOPTED.

- (e) Resolution No. 150-81 authorizing execution of a contract with Van Bourg/Nakamura and Associates, Architects, for design review and siting of decorative lights in the Nihonmachi area, Western Addition Area A-2.

Authorization is requested to contract with the architectural firm of Van Bourg/Nakamura Corporation to provide design review services for the decorative lights on public sidewalks in the Nihonmachi Area. Van Bourg/Nakamura was the firm which provided the design services for the existing sidewalk lighting in the Japanese Center in 1971. The decision was made at that time to install lighting on sidewalks adjacent to Nihonmachi businesses in character with the area. Upon completion, the City accepted ownership and the owners of the Japan Center entered into an agreement to operate and maintain the lights. This is also the plan for the Nihonmachi Mall, and the operation and maintenance will be taken care of by the Nihonmachi Parking Corporation. It is believed that Van Bourg/Nakamura is uniquely qualified to determine the appropriate design and materials for this final installation of lighting.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-81 BE ADOPTED.

Statement by President Berk on the Kimochi, Inc. Celebration:

President Berk indicated she would like to commend the Japanese-American Senior Center on the occasion of its 10th anniversary. The Japanese-American Senior Center has effectively served the elderly of San Francisco for over ten years and during these ten years the Center has provided extensive social services and benefits to the elderly. They will also broaden the scope of their services to the elderly by development of a 20-bed care facility on a parcel purchased from the Agency at Octavia and Laguna Streets. On behalf of the Agency, she commended the Japanese-American Senior Center for its service to the city and extended best wishes for that continued service.

- (f) Resolution No. 151-81 authorization to award a contract for site office janitorial services to American Building Maintenance Company, Western Addition A-2 Project Area.

NEW BUSINESS (continued)

Authorization is requested to award the Western Addition A-2 site office janitorial services contract to the American Building Maintenance Company in an amount not to exceed \$11,100 for a one-year period. The present contract with W. & F. Building Maintenance expires May 5, 1981. The bid documents clearly stated that an area-based contractor could be given preference if the bid did not exceed the lowest acceptable bid received from a contractor based outside the area by 115 percent. Ten bids were received and Ace Building Maintenance submitted the lowest bid of \$9,800. However, the American Building Maintenance Company is an area-based firm whose bid of \$11,100 is 113 percent of the Ace Building bid. Staff interviewed the three lowest bidders to confirm their qualifications to do the work and to discuss affirmative action programs. Based on those interviews and Agency policy to award the contract whenever possible to an area-based contractor, it is recommended that this contract be awarded to the American Building Maintenance.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-81 BE ADOPTED.

- (g) Resolution No. 152-81 authorization to award a contract for janitorial services at the Central Maintenance section at 675 Golden Gate Avenue to the Bekins Building Maintenance Company, Western Addition A-2 Project Area.

Approval is requested to award a contract for janitorial services for the Central Maintenance services building at 675 Golden Gate Avenue to the lowest bidder, Bekins Building Maintenance Company, in the amount of \$4,152. As indicated, the existing two-year contract with W. & F. Building Maintenance will expire May 5, 1981 and since this contract included the 675 Golden Gate office, it is necessary to obtain replacement services. Staff believed that separate bids for the 675 Golden Gate office should be solicited because of the different services required at each location and more importantly that the building must be vacated by the end of this year to make way for a State office building scheduled to begin construction in early 1982. The bid packages specified that services could be cancelled on a 30-day notice, and they also contain the specification that area-based contractors would be given preference if the bid did not exceed by more than 115 percent the lowest acceptable bid received from a contractor based outside the area. Eight bids were received and Bekins was the lowest acceptable bid and although it was not area based, the closest acceptable bid from an area-based contractor, W. & F. Building Maintenance Company, exceeded Bekins' bid by more than 115 percent.

In reply to Mr. Newman's inquiry, Mr. Hamilton indicated that area based is defined as a firm located in the area designated for affirmative action in the Western Addition area. Mr. Mardikian inquired about the rationale for the 115 percent differential, and Mr. Hamilton indicated that a preferential consideration is given to area-based contractors because the Agency is mandated by Federal statutes to make opportunities available to the maximum extent feasible for businesses doing business in or located in project and service areas. The Agency developed a policy of providing that preference and complying with the statutes by giving such businesses the advantage of being awarded the contract even though they were up to 115 percent higher. Mr. Mardikian indicated he understood the rationale of giving preference to a local business, but inquired why it had to be for more money, and Mr. Hamilton indicated that the intent was to make opportunities available to smaller area-based contractors who could not compete with larger companies who by virtue of volume could underbid them. He referred to the previous contract award and noted that for the first time this preference has resulted in the curious situation of having

NEW BUSINESS (continued)

a large firm win a bid because it was an area-based contractor. The language of the bid specifications does not take note of other conditions that may have been part of that intention. He indicated that staff would reevaluate the language, because it was the Agency's intention to reach smaller firms which found it difficult to be competitive with larger firms. Mr. Mardikian expressed the belief that it was important to evaluate such policy decisions from time to time. Mr. Newman suggested that the priorities be reconsidered and that size be a factor also. Mr. Hamilton indicated that staff would come back to the Commission with a recommended change in language. Mr. Lee requested a copy of the language and asked that staff look at how the State bids its contracts, as he believed small businesses should be given a preference up to five percent.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 152-81 BE ADOPTED.

Mr. Robin Eden, Arcade Realty, suggested that since in the case of Item 9(f) the policy had disadvantaged the low bidder that the award be reexamined. Discussion ensued between Messrs. Hamilton, Earl Mills, Leo Borregard, and the Commissioners on the merits of rescinding Item 9(f) and rebidding it under new language that would be developed which would consider size, as well as location.

Mr. Hamilton indicated that since the bids were solicited with the preference language as discussed and because Ace Building Maintenance, the lowest bidder, was not area-based and the bid of the area-based W. & F. Building Maintenance was higher than the allowed 115 percent, he recommended no rescission of the action under 9(f). Further, he noted that to rebid would cost about \$2,000 and the bids had been publicly opened and read; therefore, it would be difficult to hold another bid opening fairly. Mr. Hamilton recommended review of the language previously discussed.

- (h) Resolution No. 153-81 authorization to enter into exclusive negotiations with Dukes-Dukes and Associates, Inc. for Parcels X-1 through X-10, Y-7 through Y-13, Y-15, Z-1 through Z-7, Z-9, Z-10, Z-13, and FF-2, in Phase 1, Hunters Point Project Area.

Authorization is requested to enter into exclusive negotiations for approximately 120 days with Dukes-Dukes and Associates, Inc. for development of 49 single-family homes on 29 scattered Phase I parcels in Hunters Point. In January 1981, a 45-day exclusive negotiation period was authorized during which this developer was to seek Cal-Fed Enterprises as an equity partner and construction financing secured by an existing commitment with Citizens Federal Savings and Loan Company. The developer was unable to secure an agreement with Cal-Fed and the Citizens' commitment was insufficient. The exclusive negotiation rights expired; now, however, the developer proposes a financing program with Cal-Fed as an equity partner and Miller and Schroeder, a mortgage bond brokerage firm, will underwrite the Agency's issue of bonds in the approximate amount of \$5,100,000 for construction loans. A bank will utilize the bond proceeds to make permanent loans. The Agency's bond counsel, Jones, Hall, Hill, and White, has reviewed the proposed program and indicated that they saw no legal impediments to the issue of bonds, as described by the developer, underwriter, and lenders. The proposed development will be done in two phases: 18 units on Keith Street, which are now ready for plan check by the Bureau of Building Inspection; and the remaining 31 units, which will be ready for construction to start shortly after the first phase has begun. Appraisals for these parcels expire on April 30, 1981, and staff will be requesting new ones consistent with our Agency policy. There appears no more certain way to provide for development of these parcels under more favorable conditions, or within a shorter period of time.

NEW BUSINESS (continued)

In reply to Mrs. Rogers' inquiry, Mr. David Oster, Assistant Agency General Counsel, indicated that these bonds were for take-out loans, not construction loans, and thus were different from the mortgage revenue bonds being used for the Opera Plaza development. He noted that Dukes-Dukes aggressively pursued this issue and has given sufficient assurances that staff believes the development feasible. Ms. Blomquist commented on the underlying theme in such discussions which stress that the developer has to be ready. Mr. Hamilton concurred, noting that the developers in the Western Addition A-2 are just not ready. In reply to Ms. Blomquist's inquiry, Mr. Oster indicated that even though the Agency was not using the existing commitment with Citizens Federal Savings and Loan for this developer, the Wouldridge development would be using it and the Agency would not be losing anything.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-81 BE ADOPTED.

- (i) Resolution No. 154-81 authorizing travel and related expenses for Agency staff to meet with the Department of Housing and Urban Development (HUD) Central Office UDAG staff in Los Angeles, California, on May 8, 1981.

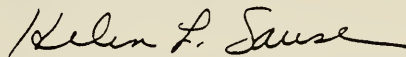
Travel authorization is requested for Messrs. Douglas Myers, Development Coordinator, and William Haskell, Senior Planner, to meet with the HUD Central Office UDAG staff in Los Angeles to review the quarterly progress report required in the approved UDAG Grant Agreement for the Fillmore Neighborhood Commercial Development Project. Total expenditure is not to exceed \$400 and UDAG and other funds are available.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned in memory of Mr. Walter F. Kaplan. The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVAL

July 14, 1981

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF MAY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of May 1981, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President (arrived at 4:35 p.m.)
Rubin Glickman, Vice President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

and the following was absent:

None

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Cliff Jeffers, Vanguard Developers; and Margaret Brady, San Francisco Parking Authority.

Representing the press were Gerald Adams, San Francisco Examiner; and Michael Mewhinney, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Proposals were received on May 1, 1981 for Offering No. 20, which offered two buildings for sale in Victorian Square, located at 1712 Fillmore and 1724-28 Fillmore Street. Seven proposals were received, three from certificate holders and four from noncertificate holders. Staff and WAPAC will be reviewing these and making a recommendation for the Commissioner's consideration.
- (b) At the Board of Supervisors meeting yesterday, the condominium subdivision map for Mariners Village (Inchon Village) was approved.
- (c) During the same meeting, the Board of Supervisors approved the ordinance appropriating \$4,500,000 to the Parking Authority to construct the Performing Arts Center Garage.
- (d) At the next Agency meeting, May 12, 1981, public comment will be invited on the Olympia and York Phase I Report on the Central Blocks in Yerba Buena Center.

NEW BUSINESS

- (a) Resolution No. 155-81 authorizing amendment to Resolution No. 100-81 which authorized execution of the Land Disposition Agreement for the development of Parcel 743-D by Vanguard Developers, northwest corner of Turk Street and Van Ness Avenue, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to amend the resolution authorizing execution of the land disposition agreement with Vanguard Developers for the parcel located on the northwest corner of Turk and Van Ness Avenue. On April 7, 1981, the LDA was approved with the condition that within 30 days the Agency will receive evidence that a lease had been executed between the General Services Administration and Vanguard. At that time GSA was confident that the review of the Washington GSA office would have been completed; however, the review has taken longer than anticipated and the developer is concerned that the lease will not be approved before the 30-day period ends. It is recommended that the LDA be amended to provide evidence of an approved lease by June 24, 1981.

Mr. Cliff Jeffers, representing Vanguard Developers, indicated that if GSA does not sign the lease within the appropriate time period, then the developer would pursue an alternate plan for leasing the building but he still expected to perform within the LDA time period. He requested that the language in the LDA be amended to reflect that alternative plan. Mr. Hamilton recommended that the Agency accept this amendment and include language to be added to the LDA which provides that the developer pursue the GSA lease "or alternate plan acceptable to the Agency".

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-81 BE ADOPTED.

In reply to Mr. Glickman's inquiry, Mr. Hamilton indicated that the developer is free to seek other alternatives so the development would have a viable alternative in the event GSA could not perform. He noted that the Commission will ultimately act on this on or before June 24, 1981.

- (b) Resolution No. 156-81 determining that there is satisfactory assurance that the San Francisco Parking Authority will proceed with their construction of the Performing Arts Center Garage.

It is recommended that a determination be made as to whether there is satisfactory assurance that the San Francisco Parking Authority will proceed with construction of the Performing Arts Center Garage. In October 1980, the Commission made a conditional award of a demolition contract to the low bidding joint venture firms, Wagner Levine, Inc. and the Jackson Construction Company, with the condition that the Agency must determine the Parking Authority can proceed with the construction of the garage. On April 29th, the Board of Supervisors Finance Committee recommended approval of the funds for the garage which was sent to the full Board and approved yesterday. The second reading will be on May 11, 1981. It is now recommended that the Agency issue a notice to proceed for demolition of 330 Grove Street, which is the structure that contains no housing units, and if the item is finally approved by the Board of Supervisors on the second reading on May 11th, it is recommended that the Agency then issue the notice to proceed for demolition of the remaining structures on the site located at 340, 350, and 360 Grove Street. Staff believes that the approval of the funding item on the first reading by the Board of Supervisors is satisfactory assurance that the garage construction by the Parking Authority will proceed.

NEW BUSINESS (continued)

Mrs. Mary Rogers, Chairperson of WAPAC, expressed her opposition to demolition of the structures on Grove Street and stressed that she would try to stop the demolition. Ms. Blomquist concurred in the opposition to this demolition, noting that the resolution was in reality the demolition of 70 units of housing and a commercial building for construction of a parking garage. She was concerned that while the policy recognizes the severe housing shortage, the parking garage was being put as an overriding priority. She believed the Agency was mandated to ensure that its program was consistent with the City's housing policy but that the policy became rhetorical when influential people wanted something and as a result the needs and policies were nullified. In her opinion, this was one of the reasons people became disillusioned with their government and she stressed her concern for the City and the Agency in considering this action.

At this time, President Berk joined the meeting at 4:35 p.m.

In reply to Commissioners' questions, Ms. Margaret Brady, Director of the San Francisco Parking Authority, indicated that building housing above the garage would require redesigning the structure. She estimated this would cost approximately \$1 million to strengthen the structure sufficiently to accommodate the additional development. The Parking Authority did not have the funds to do this. She indicated she was not opposed to the proposal to convey the air rights separately from the land but if air rights were sold to a developer to build market-rate housing rather than elderly housing, then she believed either the Parking Authority or the Agency should be compensated. In response to Mr. Lee's inquiry, Ms. Brady indicated there would be provisions for commercial shops along Grove Street. Ms. Brady stressed her belief that there was a long-standing commitment to build the garage and expressed concern that if the site were not conveyed by June 30th, the land would have to be reappraised, which could make the project economically infeasible.

Mr. Glickman suggested that if one developer would not pay for the infrastructure and build the housing, other developers could be brought in who might be interested. He indicated his reluctance to demolish the housing on this site but suggested that if a developer constructed the housing above the garage, it would become compensation for the clearance of the existing units.

Mr. Benny Stewart, Director of WAPAC, urged that the Agency use all available means to develop housing over the garage.

Mr. Newman stated that every effort should be made by the City to get the building strengthened sufficiently to support housing so that the option was available for either low-cost elderly housing, or if that is impossible, then market-rate housing. He commented that it would be unfortunate not to strengthen the building and put the air rights to use. He also believed that the City could find \$750,000 in its capital funds to provide for construction of the infrastructure for this 60 to 80 units of housing.

Mr. Hamilton indicated that one way to proceed would be to convey the land but to retain the air rights, which would preserve the land price, but also to give additional time to study the problem. He expressed the belief that it was important to provide the infrastructure to build housing, but it was also important not to threaten the construction of the garage, which has been a long-standing commitment.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. LEE THAT RESOLUTION NO. 156-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (c) Resolution No. 157-81 authorizing a Letter Agreement with the Department of Public Works for inspection services, Hunters Point and Bayview Industrial Triangle.

Authorization is requested to execute a Letter Agreement with the Department of Public Works for \$55,000. This agreement will provide for construction inspection services for Hunters Point and the Bayview Industrial Triangle for the fiscal year ending June 30, 1982. The Agency is constructing streets, sewers, lights, fire alarm, and other improvements in Hunters Point and will commence similar construction the the Bayview Industrial Triangle. These improvements will be accepted by the City for maintenance and having the City inspectors on the site during construction will ensure that the improvements are built in conformance with City standards. The site improvements to be inspected for the two sites will cost about \$1.2 million. This will also eliminate the need to hire Agency staff inspectors and payments to the City for these inspections will be based on a time and material basis.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-81 BE ADOPTED.

- (d) Resolution No. 158-81 authorizing a legal services contract with Marron, Reid and Sheehy for analysis of the National Endowment for the Art's grant provisions, Yerba Buena Center Approved Redevelopment Project Area.

Authorization is requested to enter into a contract for consultant services with the law firm of Marron, Reid and Sheehy to provide the Agency with an opinion on the acceptance of an awarded National Endowment for the Arts grant in the amount of \$3,500. Mr. Hamilton recalled that in April of this year the Commission authorized acceptance of the awarded \$17,000 NEA Design Arts Grant for Yerba Buena Center when the Agency General Counsel's concerns about the conditions for grant acceptance are adequately answered. Those concerns relate to the possible adverse impact of Federal regulations on the overall Yerba Buena Center project beyond the cultural planning services to be paid for by the grant. One of the important reasons for this legal work is that the Agency has again been invited by the NEA to apply for a second grant, and these funds are needed for additional technical and planning services to implement the recommendations of the arts community.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-81 BE ADOPTED.

- (e) Resolution No. 159-81 authorizing the Executive Director to execute a personal services contract with Allan Hammer for horticulture instruction for the CETA Laborer Trainee Program.


Authorization of a personal services contract is requested with Allan Hammer to act as a Horticulture Instructor for the Agency's CETA Laborer Trainee Program, in the amount of \$6,300, plus the cost of the required liability insurance. Of the \$6,300 the Agency will be reimbursed from the CETA Program for all but \$1,680. This instruction is part of a program to help transition of CETA employees into private employment. The first phase was GED instruction provided by the Community College District, and it is now proposed that specific horticulture instruction be offered to provide as much exposure to the field as possible. Staff has interviewed several people for the instructor's position and believes Mr. Hammer is the best qualified. He has had extensive experience as an instructor in horticulture and has outlined a thorough course which will include field instruction which will be held on Agency-owned property providing low-cost installation and maintenance of Agency landscaping. The liability insurance required by the Agency's standard personal services contract will be provided by Mr. Hammer, but staff is recommending reimbursement since it is over and above the cost of the instruction program. Mr. Hamilton recommended approval of this \$6,300 contract.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

JUNE 16, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF MAY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of May 1981, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Walter S. Newman

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and the following were absent:

Leroy King
Melvin D. Lee
Haig G. Mardikian

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Benny Stewart, and Speedy Woods, Western Addition Project Area Committee (WAPAC); Hal Cruzan and Lee Knight, S.F. Chamber of Commerce; Angela Smith, U.S. Black Chamber of Commerce; Alex Pitcher, NAACP; Judi Oser, Artists Equity; Dino DiDonato, S.F. Band Foundation; R.G. Upton, Taylor Woodrow; Roslyn Baltimore, Eddy Place Associates; James Jefferson, Jefferson Associates; Peter Gallegos, Mission Arts Consortium; Rubi McClanahan, Arthur Sheridan, Jerome Parsa, George Collins; Dr. Jevanta James, Bob Becker, Jane Long, Benjii Picaro, and Zhata Gutierrez, KPOO Radio; Bob McDonnell, S.F. Building Trades Union; Kay Pachtner, Consumer Action; and Douglas Engman, Ed Crocker, Maya Luckmann, Colin Welch, Margaret Nicholls, Fernando Gonzales, and Earl Morgan, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; and Michael Mewhinney, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The funding for the Performing Arts Center Garage was passed on second reading at the Board of Supervisors Meeting yesterday by an 8-3 vote.
- (b) On May 6 a four-alarm fire caused major damage to an Agency-owned building at 1424 Gough Street, which contained 24 rental units. Mr. Hamilton indicated that staff did a superb job in relocating the tenants and cleaning up the property after the fire. He noted that this fire also necessitated requesting consideration of an Off-Agenda item to ratify authorization of the emergency demolition of the fourth floor of the building

In reply to Mr. Newman's inquiries, Mr. Borregard indicated that discussions of the air rights over the Performing Arts Center Garage were well along and that he believed there is a good chance of housing being developed over the garage. Mr. Hamilton indicated that staff would keep the Commission informed of further developments.

NEW BUSINESS

- (a) Public comment on the Phase I Report from Olympia and York regarding the Central Blocks, Yerba Buena Center.

The Olympia and York Phase I Report has been received and has been available for review by the interested public. Staff considers it a very helpful document. It illustrates where the developer is and the directions which are being pursued in their thinking and gives insight into the preliminary conceptual planning. The report is, however, not conclusive, nor is it intended to represent a final or refined program. It is therefore recommended that this report be used as a stepping stone to the next steps which must be taken to achieve the Olympia and York/Agency common goal of creating a project of significant benefit to the City in the Yerba Buena Center. Mr. Hamilton indicated that he wanted to hear comments on the report, which will be considered in the continuing negotiations with the developer during the critical design phase. If there are comments that relate to clarification of the report, the developer is present to respond. The work program which is included as an appendix to the Olympia and York report contemplates three stages: the first stage is concluded by this program report on program refinement, which had established specific directions before detailed planning work could proceed. The second phase contemplates preparation of concepts and a detailed use program, a detailed financial plan, an operating plan and a physical plan. It is anticipated that this will be brought forward to July. The final phase is the refinement of the project and the land disposition agreement. This report was never intended to be a concept plan for Yerba Buena Center. It is essentially a progress report and takes certain of the aspects of the Request for Qualifications (RFQ) which are very important and establishes a direction for further work.

Mr. Ron Soskolne, Project Manager, Olympia and York Equities, then briefly described the report: the first part deals with the scope and approach to the cultural, amusement, recreational, and entertainment uses within the complex. It is believed that the project should be developed as a place in which things are continually changing in ways that are attractive to a broad range of the San Francisco community. This approach is fundamental to meeting the goals of the RFQ to develop a place attractive to the people of San Francisco which is active through the year; the second part addresses the issue of the compatibility of housing with the cultural, amusement, recreation and entertainment (CARE) uses. These uses are the most important aspect of the development and the basic premise is that the housing cannot in any way compromise the success of the CARE; the third part deals with suggested management issues for the cultural component; and the next part deals with a merchandising approach for the retail that would include a range of uses from fashion to highly specialized crafts and produce sold in a market setting. A strong emphasis will be on food, including restaurants in all kinds of setting and food that can be bought and eaten in the gardens as well as food to purchase and take home. Next is a section on access and security which indicates a basic policy decision not to construct

NEW BUSINESS (continued)

a project with a wall around it and a gate at which people have to pay to be admitted. The intention is to create a development that feels like a part of the City, a place where people feel welcome. Mr. Soskolne indicated that this is the part which is the most difficult to achieve in terms of providing the desired ambience, maintaining quality and an appropriate program for security and management. This report also describes the approach to the Affirmative Action Program which Mr. Soskolne emphasized Olympia and York was committed to adhering to as part of this development process.

The following persons then commented with regard to the Olympia and York Phase I Report: Mr. Hal Cruzan, Executive Assistant to the President of the San Francisco Chamber of Commerce, who indicated the Chamber's strong support for this project; Mr. Calvin Welch, San Francisco Information Clearinghouse, indicated his opposition to market-rate housing being included in Block 2 and urged that if there was such housing, it be affordable by the average San Franciscan; Ms. Kay Pachtner, Consumer Action, indicated that market-rate condominiums should not be allowed because she did not believe there was a need for more of them. She believed that there should be affordable housing; Ms. Maya Luckman, Hotel and Restaurant Workers, spoke in favor of the report; Mr. Bob McDonald, San Francisco Building Trades, Laborers 261, urged that the project move along as expeditiously as possible; Mr. Jules St. Jule, housing consultant, indicated that though the report lacked definition, he thought the report was exciting and indicated a good direction; Ms. Brenda Berlin, Ms. Michaela Cassidy and Mr. Dino DiDonato, Yerba Buena Center Cultural Planning Group, spoke on the behalf of the cultural planning process and its results, which particularly addressed development of strong management and financial models to assure the success of the programming ideas. They noted that there was some difference with the developer's priorities and definitions of cultural facilities mentioned in the report, but they were hopeful of working with the Agency and the developer on these issues. They expressed appreciation for the Agency and developer's participation in the cultural planning process; Mr. Leland Meyerzove, Chairperson District Counsel No. 5, EEOC and the Central City Coalition, indicated his agreement with the basic concept of the cultural program in the South of Market and the report in general, but was concerned about housing. He indicated his agreement with Calvin Welch's statements on that issue. Mr. Alex Pitcher, president of the San Francisco NAACP, indicated his support of the report, and noted that he was especially pleased with the Affirmative Action concepts and would be carefully monitoring it to see how Olympia and York complied with it; Ms. Beatrice Gardenas-Duncan, Mission Economic Development Association, indicated her support of the Affirmative Action portion of the report. Ms. Angela Cherry Smith, U.S. Black Chamber of Commerce, indicated her support of the report and the Affirmative Action concept. Ms. Idaree Westbrook, Black Leadership Forum, indicated her support of the report, but noted her concern that the Affirmative Action plan was not predominately addressed to blacks. She also inquired about reflection of Afro-American culture in the Cultural planning program and advocated provision of moderate-income housing in YBC. Ms. Doris Kahn, Director's Advisory Group, expressed concern about the type and location of housing that would be put in YBC. She believed that YBC development

NEW BUSINESS (continued)

was prime San Francisco land which, she believed, the developer will get at less than market rate, and urged that the Commission publicly review the developer's designs. Mr. Bernard Averbuch, Market Street Project, indicated his approval of the Board report and urged that the development proceed quickly. Mr. Doug Engmann, Director's Advisory Group, strongly expressed his concern about the report. He believed that it had some interesting ideas but believed that it was not fully developed and reflected little imagination. He urged that this report be re-done to a more acceptable quality. In Mr. Engmann's opinion both the project and the developer are good, but he felt that the Commission needed to take charge of the process to ensure that an adequate process is carried out. Ms. Sue Bierman, City Planning Commissioner, congratulated Mr. Hamilton and Ms. Sause on the quality of the cultural component, and the public process which produced it, but she believed that the developer did not understand what YBC should be. She felt there should be activities in YBC that were fun, and she did not see any evidence of such things, nor an Affirmative Action plan, and she urged that there be more input from the community. She opposed the concept of luxury condominiums in the Central Blocks, but supported housing being built around them. Ms. Nan Park, Cultural Steering Committee, indicated her support for YBC as a Community Center for the Arts and believed the developer should finance the arts activities as a public relations gesture. She also expressed concern about any proposal to build luxury condominiums in YBC, and urged that paid artists be employed on the developer's team. Ms. Sue Hestor, San Franciscans for Reasonable Growth, expressed her belief that the objectives for which the community had fought for ten years were not being achieved in YBC. She also believed that there was enough housing for the upper-income person, but not enough places for people with families to live, nor places for the average citizen to have fun. She indicated that she would undertake to delay approval of the pending YBC EIR if market-rate housing were built there.

Ms. Blomquist inquired as to what the next steps were and Mr. Hamilton indicated that work sessions would occur weekly with the developer to get through several major program issues as conditions precedent to the development of design. He noted that in the next weeks they would also begin to address the questions of housing and its compatibility with the gardens uses. He reiterated that the RFQ permits housing in Central Block 2 "as compatible" with the gardens program, but this could not be determined for several weeks until the gardens uses were better defined. He also noted that the definition of these uses is significant because they influence the preliminary design. Mr. Hamilton indicated that he anticipated a design concept would be before the Commissioners for consideration within the next six weeks, though this would not include the height and bulk or detailed drawings that indicate what YBC would look like. After consideration by the staff and consultants, the DAG, and public comment at workshops, the developer will prepare a preliminary plan which begins to express form, height, mass, and bulk. Beyond that, assuming there are no major impediments, the developer will have direction to proceed toward final design and by the end of the year final drawings will be prepared for the project. Ms. Blomquist expressed concern that because the cultural planning process was not to be completed until the end of June the developer will be delayed. Mr. Hamilton indicated that at this stage of early conceptual design he did not believe

NEW BUSINESS (continued)

it would cause any delay. He noted that the preliminary cultural workbook that has been prepared was provided to the developer in anticipation of the final report. This workbook is complete enough with respect to the cultural program for the developer to begin serious planning for these uses.

President Berk urged the public to provide their comments on the YBC planning process and stressed that there would be a number of public workshops and meetings. Mr. Hamilton indicated there would be a Staff memo on the developer's first-phase report which will be a public document available for distribution.

President Berk thanked the members of the public and the developer's representatives for coming and stressed that the Commissioners looked forward to continued interchange and cooperation to achieve the completion of YBC.

President Berk announced that the meeting would be recessed briefly. The meeting recessed at 6:00 p.m. and reconvened at 6:15 p.m. with the same roll call.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the conveyance of Parcel 743-A south side of Eddy between Van Ness and Franklin, to Eddy Place Associates, Western Addition A-2 (continued from April 21, 1981).

President Berk opened the public hearing to hear all persons interested in the matter of the conveyance of Parcel 743-A to Eddy Place Associates, Western Addition A-2.

Resolution No. 125-81, authorizing execution of Agreement for Disposition of Land for Parcel 743-A to Eddy Place Associates, approving Disposition Value and Ratifying Publication of Notice of Public Hearing, Western Addition A-2.

This item will authorize the Executive Director to enter into a Land Disposition Agreement with Eddy Place Associates for the parcel located on the south side of Eddy Street between Van Ness and Franklin Streets. This public hearing was re-scheduled from April 7 to allow the developer to resolve outstanding design issues. These issues have now been resolved and do not represent a major change from the original design concept approved by the Commission. It should be noted that language has been added to the LDA, so that the project cannot be modified without Agency review and approval. The Exclusive Negotiations for this development were granted in September 1980 and extended. The development will include 10,000 square feet of office space and four residential condominiums. The developer intends to use SB-99 financing for both the office and residential units and an inducement resolution for this financing was approved in November. The schedule of Performance is to submit evidence of financing, March 9, 1982; commence construction, May 9, 1982; complete construction, July, 1983. WAPAC has approved the proposal.

UNFINISHED BUSINESS (continued)

Ms. Rubi McClanahan and Idaree Westbrook both spoke on behalf of the developer, Ms. Roslyn Baltimore.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-81 BE ADOPTED.

- (b) Resolution No. 160-81, authorization to enter into Exclusive Negotiations with KPOO and Associates for Parcel 1101-B, located on the westerly side of Divisadero between Ellis and O'Farrell Streets, Western Addition A-2.

Authorization is requested to enter into Exclusive Negotiations for 90 days with KPOO and Associates, a joint venture, for purchase and rehabilitation of 1325-29 Divisadero Street. This four-story, wood-frame building has 16 studio apartments and ground floor commercial space. KPOO proposes a joint venture with Mr. Robert Becker of Wintergreen Enterprise, Inc. Under the terms of the joint venture, KPOO and Associates will provide KPOO a 99 year lease at \$1.00 per year; rehabilitate the commercial space to KPOO's specifications; supply the capital for purchase and rehab of the building, provide KPOO with a 25 percent equity ownership and first refusal rights in event the property is ever offered for sale. KPOO is a public service non-profit, educational radio station and represents neighborhood organizations and minority groups in the City. The station is also known for its weekly broadcast of the Board of Supervisors' meetings. KPOO has successfully trained, at no cost to the trainee, 70 persons who have acquired their FCC License necessary for employment in the broadcasting industry. They will be relocating into the Western Addition from 532 Natoma. The WAPAC has reviewed and approved their proposal.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-81 BE ADOPTED.

- (c) Resolution No. 161-81, authorizing an extension of Exclusive Negotiations with Melvin J. Hayes for Lot 6, Site S-4, located on Hunters Point Hill, Hunters Point.
- (d) Resolution No. 162-81, authorizing an extension of Exclusive Negotiations with Gordon Reese for Lot 1, Site S-4, located on Hunters Point Hill, Hunters Point.

Authorization is requested to extend Exclusive Negotiations to July 7, 1981, with Gordon Reese for Lot 1 and Melvin J. Hayes for Lot 6 of Site S-4 for development of single family homes in Hunters Point. Exclusive Negotiations were granted on February 10, 1981 to Mr. Gordon and Mr. Hayes, who were selected after the original developers withdrew. A condition of Exclusive Negotiations requires that the developer submit architectural schematic plans for review and approval. Because of the inexperience of these developers, the time taken for selection of an architect has been longer than anticipated. During this 60-day extension the plans will be completed, reviewed and an LDA negotiated.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECCNDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 161-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 162-81 BE ADOPTED.

- (e) Resolution No. 163-81, authorization to negotiate with John Stewart Company and Management Systems, Inc., a Joint Venture, a Personal Services Contract for marketing, sales, pre-management and management services for the Cypress Grove Development, 300 units, Phase II, Hunters Point.

Authorization is requested to negotiate a contract with John Stewart Company and Managemeat Systems, Inc. to provide marketing and pre-management services for the 300 unit cooperative development in Phase II of Hunters Point. Funds for this service are included in the HUD mortgage package. Bids for construction of the units will be received on May 22 after which the development package will be submitted to HUD for firm commitment. This package must identify the firm that will provide marketing and pre-management services. Staff has evaluated six firms and feels that this joint venture will bring the highest quality of professional services available for these units. The John Stewart Co. will have the lead in marketing. The Agency has been favorably impressed with the outstanding marketing accomplished by the firm of the Mariners Village units. Management Systems, Inc., is nationally recognized for its expertise in marketing and management of subsidized cooperatives and it will manage the Hunters Point units for two years after initial occupancy, following which the cooperatives will elect a Board of Directors to employ a management firm of their choice.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 164-81, ratification of action taken by the Executive Director in authorizing emergency demolition work on an Agency-owned building at 1424 Gough Street, Western Addition A-2.

Authorization is requested to ratify action taken in authorizing demolition of the 4th floor exterior walls of 1424 Gough Street. An inspection by the staff and the City's Bureau of Building Inspection determined that the interior partition walls that support the exterior walls were so damaged that they presented a hazard. Based on the emergency nature of the situation, three demolition contractors were contacted on May 7 and requested to submit proposals by May 8 for removal of the exterior walls to start no later than May 9. Jewel-Pacific Wrecking Systems submitted the lowest bid of \$4,750 and started work on May 9 and completed it on May 10.

Ms. Mary Rogers, Chairperson, WAPAC, suggested that the Commission adopt a policy that gave the Executive Director authority to demolish such hazards. Mr. Hamilton indicated that he has this authority and exercised it in proceeding with demolition of the building. However, he was now

MATTERS NOT APPEARING ON AGENDA (continued)

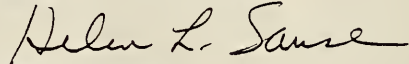
waiting for the rehabilitation staff to complete a report on the feasibility of rehabilitating the remainder of the building before seeking authorization to demolish the less hazardous portion of the building. In reply to Mr. Newman's inquiry, Mr. Hamilton indicated that the Agency had insurance on this building and would check on the extent of coverage and give him a report.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

July 7, 1981

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#4
5/26/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 26TH DAY OF MAY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco recessed to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 4:10 p.m. on the 26th day of May 1981, following the regular meeting held on that date.

The Acting President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President (joined the meeting at 4:25 p.m.)
- Rubin Glickman, Acting President
- Dian Blomquist
- Leroy King
- Melvin D. Lee
- Haig G. Mardikian
- Walter S. Newman

DEPOSITORY ITEM
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and the following was absent:

None

The Acting President declared that a quorum was present.

Also present were Redmond F. Kernan, Acting Executive Director; Leo E. Borregard, Agency General Counsel; Steve Cowan and Joel Zeldin, Special Counsels; and Helen L. Sause, Secretary.

NEW BUSINESS

- (a) Consideration of potential litigation concerning the Arcon/Pacific, Inc. Land Disposition Agreement (LDA) for Parcels 3706-H and H(1), Yerba Buena Center Project.

Mr. Kernan indicated that since there had been threatened litigation in this issue, it was advisable to review the various aspects of the developer's request for an extension.

Mr. Borregard indicated that an extension had been requested for 60 days from the developer. He suggested that a 60-day extension be granted with the condition that the developer provide the Agency with a full and complete release from all threats of litigation, except out-of-pocket costs, that the developer would receive full and complete release of the deposit if he was unsuccessful in achieving his financing package within the 60-day period, and that the deposit be increased by \$140,000.

Discussion followed on the various aspects of what financing evidence Arcon/Pacific had provided. In response to Mr. Glickman's inquiry, Mr. Borregard indicated that the Agency had been advised by a Union Bank official that the bank would require approximately 60 days to close their loan arrangement. Discussion followed on the validity of this communication. The Societé General

NEW BUSINESS (continued)

Banque in France, which is one of the world's largest banks, would provide the permanent financing, and the hotel would be managed by the Meridien Hotel chain, which is associated with Air France and the Société General Banque. There was also discussion of the role of F. C. Gaw in the project.

Mr. Glickman inquired about the progress that could be made in 60 days. Mr. Borregard commented that it was difficult to be sure, however, the bank official had indicated that the loan committee would seriously consider the request. Discussion followed on the Agency's exposure, and Mr. Borregard indicated that a suit for out-of-pocket damages could have an exposure for approximately \$1 million. Mr. Glickman inquired about the lis pendens suit and its effect on the Agency's ability to sell the parcel, and Mr. Borregard indicated that this threat was of overriding concern because such a suit could potentially tie up the land for several years. Mr. Borregard suggested that the Commission consider the proposed resolution which would amend the termination date to June 3, 1981 and outlined the other conveyance provisions.

President Berk joined the meeting at 4:25 p.m.

Mr. Borregard concluded his comments by indicating that a possible alternative would be to extend the Arcon/Pacific LDA to September 28, 1981, because that date represented the deadline for the reappraisal of the parcel. Then on September 28, 1981, the developer would relinquish the rights to file a suit against the Agency and would receive his deposit back.

After discussion the Commission concurred in adopting a resolution extending the LDA so that Mr. Borregard could discuss the proposed 60-day's extension. It was suggested that they adopt the resolution in concept and then it could be calendared at the meeting for June 2, 1981 for formal action.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m. to the regular session.

Respectfully submitted,

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF MAY, 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of May, 1981, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President (arrived at 4:25 p.m.)
Rubin Glickman, Vice President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

None

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The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Lyman and Christina Jee, Arcon/Pacific; Mary Rogers and Ted Frazier, Western Addition Project Area Committee (WAPAC); Misha Berson, Theatre Communications Center of the Bay Area; Richard Reineccius, Julian Theatre; Ulysses J. Montgomery, Montgomery and Co.; Eddie C. Welbon; Paul Faberman, Paul Faberman and Co.; Alex Pitcher, San Francisco NAACP, President; Roosevelt Carrie, Thelma O'Neal, Bryant Brinkley, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; and Michael Mewhinney, San Francisco Progress.

At this time the meeting recessed to a Closed Session to discuss a matter involving pending litigation, 4:10 p.m. The meeting reconvened at 4:30 p.m. with the same roll call.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) In the absence of Mr. Hamilton who is ill, Mr. Kernan indicated he would be Acting Executive Director.
- (b) The Governmental and Consumer Affairs Committee of the Board of Supervisors approved the naming of the Community Facility in the Western Addition A-2 after the late Supervisor Ella Hill Hutch and the full board also approved it today. Dedication ceremonies for this facility will be held on June 11 at 11:30 a.m.

UNFINISHED BUSINESS

- (a) Resolution No. 189-81 approving an alternate site for an outdoor theatre facility in Justin Herman Plaza as proposed by Four Embarcadero Center Venture.

Approval is requested of an alternate site for an outdoor theatre facility to be constructed by the Embarcadero Center. In 1966 Embarcadero Center agreed, in the original Land Disposition Agreement, that somewhere in the complex they would provide an engineered site for a repertory theatre of 500 to 750 seats. The site first recommended was at Davis Street. However, because of Municipal Railway requirements, this site was found to be infeasible and that finding was confirmed in the Sixth Amendatory Agreement with the developer. This Agreement also indicated that the Agency would approve or disapprove an alternate site in Justin Herman Plaza selected by the developer. Embarcadero Center then retained William Turnbull of MLTW Turnbull Associates to recommend a site and prepare conceptual plans to indicate its architectural character. It is now believed that the construction of an outdoor theatre facility, as now proposed, would generate additional desirable activity in Justin Herman Plaza and provide a focal point for such activity. It will also respond to an often heard criticism about the overwhelming scale and character and emptiness of Justin Herman Plaza, by providing an interesting architectural element.

Ms. Misha Berson, Theatre Communications Center of the Bay Area, and Mr. Richard Reineccius, Julian Theatre, both spoke in favor of accepting the sum of \$450,000 in lieu of constructing an outdoor theatre in Justin Herman Plaza and using that money for already established arts programs. They noted that the facility would not be suitable for use by many of the arts organizations and would preclude many forms of performances. They urged that the funds be devoted to enhancing existing artist programs rather than placing an outdoor stage adjacent to a hotel and the freeway, where both the noise and the climate made it difficult to use. Mr. James Bronkema, Four Embarcadero Center Venture, gave a brief history of the theatre idea going back to the mid-1960's and the Center's support for the concept of an outdoor theatre and the subsequent alternatives considered. He indicated the Center's desire to continue with the concept of an outdoor theatre.

Ms. Blomquist questioned the language in the Agreements which related to the facilities to be provided by the developer and the proposed location. It was indicated that the Justin Herman Plaza site and theatre construction were to be considered by the Agency. If agreement was not reached then the money would go to the Agency for use in another cultural form. Ms. Blomquist stated that she could not support the outdoor theatre and believed it would be used as a publicity forum for the Embarcadero. She stressed her belief that the Redevelopment Agency would perform a more significant service to the City by accepting the money and urged the Commission to reject the theatre proposal and accept the \$450,000 payment.

Mr. Newman expressed his belief that the facility would be a great benefit to the City and would attract a substantial number of people, bringing life to that part of San Francisco which needed interest. He encouraged the Commission to vote for the theatre.

Mr. Mardikian agreed with Mr. Newman's comments and expressed his belief that it was the responsibility of the Commission to insure that Redevelop-

UNFINISHED BUSINESS (continued)

ment areas are developed to the fullest extent and that the proposed improvement for Justin Herman Plaza would fulfill that obligation. He urged the Commission to vote for the outdoor theatre. Mr. Glickman noted that, while he accepted the points articulated by Ms. Blomquist, he was concerned that the Agency had little experience in theatre construction and he believed the developer could build a theatre more effectively and therefore would vote in favor of the outdoor theatre. He also expressed his view that the Agency had a responsibility for the entire City.

Mr. Bronkema replied to Mr. Lee's inquiry that if any funds were left over after construction they would be spent in the fullest amount for landscaping, lighting and other amenities for the theatre. In response to Ms. Berk's inquiry, Mr. Bronkema stated that he never thought there would be any money left over and that the cost would be approximately \$400,000 to \$500,000.

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. MARDIKIAN THAT RESOLUTION NO. 189-81 BE ADOPTED WITH THE PROVISION THAT FOUR EMBARCADERO CENTER VENTURE NOT SPEND LESS THAN \$450,000, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. King
Mr. Lee
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist
Ms. Berk

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Resolution No. 178-81 amending Agency Salary Resolution No. 142-80 to add a new classification of Building Construction Supervisor.

Authorization is requested to amend the Agency Salary Resolution that would add a new classification, Building Construction Supervisor, for the 300 co-operative homes in Hunters Point known as Cypress Grove. The Agency is acting as developer in this effort and staff believes it is essential to hire an experienced wood-frame construction supervisor. The construction bids are now scheduled for opening on June 4, and the Building Construction Supervisor would be part of the project team in obtaining HUD approvals, being responsible for inspections and supervising the construction to assure builder compliance with the plans specifications and schedules. Since the City has no comparable classification and the Agency does not have an appropriate job classification for this role, it is proposed that the position be paid 10% above the City classification of Building Inspector because of the extra responsibilities of supervising the building construction.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVE BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-81 BE ADOPTED.

NEW BUSINESS

- (a) Consideration of termination/extension of Arcon/Pacific Ltd., Land Disposition Agreement, Parcels 3706-H and H(1), Yerba Buena Center.

RULE OF THE CHAIR: President Berk indicated that at the request of staff and subject to the objection of any Commissioner that Item 9 (a) be taken up at the end of the agenda. There being no objection it was so ordered.

- (b) Resolution No. 179-81 authorizing a Personal Services Contract with Rai Okamoto, Yerba Buena Center.
- (c) Resolution No. 180-81 authorizing a Personal Services Contract with Tom Aidala, Yerba Buena Center.

Authorization is requested to enter into two Personal Services Contracts to serve as members of the Agency's three member YBC Design Review Panel. The contract with Rai Okamoto is in the amount of \$18,000 and Tom Aidala in the amount of \$12,000. The third person initially chosen has declined to serve because of a potential conflict. When the third member is identified, the contract will be brought back for consideration. In the meantime, we would like to proceed with the recommended two as the developer is moving rapidly ahead with design and land use plans. This panel will participate in the discussions, studies and deliberations necessary to assist staff in reviewing proposed plans and designs for the architecture, landscaping, treatment of open spaces and general land use planning for the Central Blocks. This assistance is essential for the efficient review and proper evaluation of the developer's submissions. Mr. Okamoto will be expected to be the liason between the panel and the Agency and therefore his contract includes additional compensation. In reply to Mr. Newman's inquiry, Mr. Kernan indicated that the consultants would be acting in an advisory capacity to the Agency, not in a supervisory role.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTIONS NO. 179-81 and 180-81 BE ADOPTED.

- (d) Resolution No. 181-81 authorizing write-off of certain delinquent rents as a result of documented hardship, Western Addition A-2.
- (e) Resolution No. 182-81 authorizing write-off of certain delinquent rents where there is no reasonable prospect of collection, Western Addition A-2 and Yerba Buena Center.

Authorization is requested to write-off certain delinquent rental accounts in the Western Addition A-2 and Yerba Buena Center in the amount of \$4,449.54.

NEW BUSINESS (continued)

Federal Regulations and Agency rental policy provide for write-off of delinquent rental accounts if they fall into certain categories: Category A, where collection would impose undue hardships; Category B, when there is no reasonable prospect of collection; and Category C, when anticipated cost to collect is unwarranted. Category B accounts have been sent to the Agency's collection agent, Transworld Systems, Inc. Rent collections for all projects continue to average over 80%.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTIONS NO. 181-81 AND 182-81 BE ADOPTED.

- (f) Resolution No. 183-81, authorizing Exclusive Negotiations with Roosevelt and Altheda K. Carrie for purchase and rehabilitation of 2075-89 Sutter, Parcel 683-D (3), Western Addition A-2.

Authorization is requested to enter into exclusive negotiations with Roosevelt and Altheda K. Carrie for the purchase and rehabilitation of 2075-89 Sutter Street for 120 days. This three-story, wood-frame building has ground-floor retail and commercial space with two floors of office space above. Mr. Carrie has operated his business, the R. Carrie Insurance Co., on the ground floor of 2081 Sutter for over 20 years. When in early 1979 the Agency considered retention instead of demolition of this building, Mr. Carrie and others expressed their interest in renovating the building. Mr. Carrie proposes to rehabilitate the building for the continued use as his office and commercial use and would do so with minimum disruption to present tenants, one of whom is the San Francisco Chapter of the NAACP. The NAACP also originally expressed interest in becoming a developer, but withdrew in favor of the Carries, who have agreed to rent space to them at below market rate. Also submitting a proposal was the proposed partnership of Montgomery & Co. and Dr. Eddie C. Welbon of the Community Skill and Youth Service Agency. Staff has evaluated the proposals of both prospective developers and the Montgomery/Welbon proposal has problems which have not been resolved during this year. These affect the capacity of the team to proceed and staff believes the Carrie proposal to be simple and straightforward with problems clearly defined and reasonable solutions proposed. WAPAC also believes the Carries have the greatest potential for successful and timely completion.

Dr. Eddie C. Welbon and Mr. Ulysses J. Montgomery expressed their opposition to staff's recommendation. Mr. Montgomery noted that he was a certificate holder and should be given preference.

Mr. Alex Pilcher, President of SF NAACP; Ms. Thelma O'Neal and Ms. Mary Rogers, Chairperson of WAPAC, spoke in favor of the selection of Mr. Roosevelt Carrie. Mr. Roosevelt spoke on his behalf and indicated that he appreciated the support he had received and believed that he could carry out the development. Mr. King indicated he had known Mr. Carrie for 25 years and he is a responsible person who would do a good job. Mr. Kernan noted that Mr. Carrie was also a Certificate Holder.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-81 BE ADOPTED.

NEW BUSINESS (continued)

- (a) Consideration of termination/extension of Arcon/Pacific Ltd., Land Disposition Agreement, Parcels 3706-H and H (1), Yerba Buena Center.

The consideration of the Commission to either terminate or extend the Arcon/Pacific Ltd. Land Disposition Agreement is requested for Parcels 3706-H and H (1) in the Yerba Buena Center. Mr. Leo Borregard, Agency General Counsel, indicated that discussions had been going on between the counsel for the parties and it has been suggested that these discussions continue during the next week and he suggested that the termination date of the Arcon/Pacific contract with the Agency be extended until Wednesday June 3, at 12:00 noon and that the matter would be calendered for consideration of termination/extension for next regular Agency meeting, June 2, 1981. It is understood that this is without any prejudice to rights of the parties and Mr. Borregard also indicated his understanding that counsel for the developer has agreed. Jerome Field, Attorney for Arcon/Pacific indicated his client's agreement to the stipulation. Mr. Borregard then indicated that there was some adjustment necessary in Section 8.15 of the LDA so that the conveyance date could be extended at any time to and including the effective date of termination.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE AGENCY COMMISSION MAY EXTEND THE ARTICLE 8.15, ABSOLUTE CONVEYANCE DATE AND PURSUANT TO ARTICLE 8.15 THE LAND DISPOSITION AGREEMENT IS NOT TERMINATED UNTIL JUNE 3 AT 12 NOON, ALL WITHOUT PREJUDICE TO POSITIONS OF THE PARTIES, BE APPROVED.

- (g) Resolution No. 184-81 authorizing Exclusive Negotiations with Suttermore Associated for Parcels 678-C (1), easement only, 678-C (2) and 678-C (3), located on the north side of Sutter between Fillmore and Steiner Streets, Western Addition A-2.

Authorization is requested to grant Exclusive Negotiations with Suttermore Associates for development of two parcels and an easement located on the north side of Sutter between Fillmore and Steiner. Parcel 678-C (1) will provide an open space easement and pedestrian right-of-way for the benefit of the other parcels and on Parcel 678-C (2) the developer proposed to construct 5,000 square feet of commercial and 10,000 square feet of office space with 28 off-street parking spaces. The development of Parcel 678-C (3) will include 68 residential condominium units containing 60, 2 bedrooms at a sales price of approximately \$135,000 each and eight one-bedroom units at \$90,000 each. Suttermore Associates is a general partnership with Carlton B. Goodlett, M. D. and Harley E. Shear, M.D. as co-managing general partners and participating general partners. They have selected Paul Faberman, a development manager, to manage the day-to-day operations of the partnership and Nicola Smith as attorney-in-fact to act as an Agent. Though Dr. Goodlett is the only member of the partnership who has development experience, staff feels this team has the capability and financial capacity to undertake the development. During these negotiations, new appraisals will have to be made on these parcels and a profit limitation on the condominium project will be discussed.

NEW BUSINESS (continued)

Mr. Paul Faberman spoke on behalf of Suttermore Associates, but indicated he was unaware of the profit-sharing limitation. Mr. Glickman indicated that this was a policy of the Agency, and had been so for some time, and Mr. Lee indicated that if Mr. Faberman did not understand the policy he should discuss it with staff. Mr. Faberman then stated he had some indication there was a profit-sharing policy, but he was unaware of the specifics and did not agree with the concept. However, he presumed those issues would be worked out during the exclusive negotiating period. Mr. King expressed the belief that the item should be held over until this issue was clarified.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT ITEM 9(g) BE CONTINUED FOR ONE WEEK.

Ms. Blomquist suggested that since the profit limitation had not been totally satisfactory, she believed staff should consider policy of setting aside units. Mr. Kernan indicated that a set-aside policy was being evaluated for new developments, but he believed since it had not been adopted as Agency policy it was not appropriate for this development. Mr. Glickman urged staff to pursue development of set-asides for new offerings. Ms. Mary Rogers, Chairperson of WAPAC, indicated her opposition to set-asides for small developments, such as this one, and asked to be kept advised of the policy being developed.

- (h) Resolution No. 185-81 approving execution of documents in connection with issuance of SB-99 construction and permanent financing for Divisadero Heights Project, Parcel 1129-B located on the southwest corner of Divisadero and Eddy Streets, Western Addition A-2.

Approval is requested of the Preliminary Official Statement for the Residential Mortgage Revenue Bond (SB-99) 1981 Issue A and its distribution for the Divisadero Heights Development by Sapunar and Duering for the parcel located on the southwest corner of Divisadero and Eddy Streets. Originally, it was proposed to include the bonds for this development in the Opera Plaza Bond Issue but Opera Plaza was the only developers ready at that time, so they proceeded alone. The Divisadero Heights development is now ready to proceed. This Preliminary Official Statement describes a proposed issue of bonds to provide funds to finance these 33 market-rate single-family condominium housing units. The proposed underwriters are Blyth, Eastman, Paine & Webber, Inc. and Bank of America National Trust and Savings Association. Basic security for the bonds is the mortgage loans to be made to the purchasers of the dwelling units. An additional feature not included in the bond issue for Opera Plaza is that the developer will pay a financing fee to the Agency, which can then be used for any of the Agency's purposes or programs in A-2. Amount of the fee will be a percentage of the difference between the average sales price of the units and the average actual construction cost, and will be paid in cash as the units are sold. The Preliminary Official Statement was prepared by the underwriters and approved by Bond Counsel and Agency staff.

Ms. Mary Rogers indicated her appreciation of Bond counsel taking time to explain the SB-99 financing mechanism to her. She inquired how the fee collected from the developer would be used, and Mr. Kernan indicated a policy

NEW BUSINESS (continued)

had not yet been developed, but Mr. Sutter, Area Director of A-2, would keep her informed. In reply to Ms. Blomquist's inquiry, Mr. Kernan indicated the amount of the fee was being negotiated with the developer. He noted that the three units that had been previously discussed for a set-aside may be monetized instead. Ms. Rogers indicated she wanted Sapunar and Duering to come back to WAPAC if there were changes in the proposed program. Mr. Kernan indicated these were all matters being considered and she would be kept advised.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-81 BE ADOPTED.

- (i) Resolution N1. 186-81 authorizing a Permit to Enter to S. Handa Sons to gain construction access for Parcel 686-H, block bounded by Buchanan Mall, Sutter, Laguna and Post Streets, Western Addition A-2.

Authorization is requested to grant a Permit to Enter to S. Handa Sons, rent free, for nine months on the parcel located in the Nihonmachi in the Western Addition A-2 for the purpose of construction access. S. Handa Sons is the general contractor for the HIS development located at the east side of Buchanan Mall between Post and Sutter Streets. This parcel will be conveyed on May 27 with construction to start shortly after. Since Buchanan Mall is closed to vehicular traffic, the only way to gain access to the development is through this parcel. The Permit to Enter would cover that portion of the lot that is presently vacant and will not interfere with any developments on that parcel.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-81 BE ADOPTED.

- (j) Resolution No. 187-81 ratifying utilization of emergency security guard services with Imperial Protective Agency at 1424 Gough Street, Western Addition A-2.

Authorization is requested to ratify emergency security guard service at 1424 Gough Street in the Western Addition A-2 as provided in our contract with Imperial Protective Agency. After a major fire in this building on May 6, 440 hours of guard services were used to prevent unauthorized entry, provide safety to the general public and protect the tenants and their belongings, at a cost of \$2,838. It is Commission policy that ratification be sought for utilization of "as needed" security guard hours that extend over 72 hours.

Mr. Mardikian suggested that staff investigate the possibility of the insurance company reimbursing the Agency for these costs, and Mr. Harold Bell, Controller, indicated that this would be done.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-81 BE ADOPTED.

- (k) Resolution No. 188-81 authorizing an Agreement with Pacific Gas and Electric Company for undergrounding overhead utility lines on Joice Street, Stockton/Sacramento Project.

NEW BUSINESS (continued)

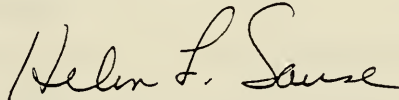
Authorization is requested to enter into an agreement with Pacific Gas and Electric Company for removal and undergrounding of existing overhead utility lines on Joice Street in the Stockton/Sacramento Project in an amount not to exceed \$2,970. Stockton/Sacramento is essentially a low- and moderate-income housing development with 152 units for the elderly, 33 units for families and commercial space on the ground level with 54 parking spaces and a landscaped open space to benefit residents of the project and neighborhood. This development, known as Mei Lun Yuen, began construction in 1979 and is scheduled for completion by the end of this year. This is in keeping with the Redevelopment Plan for this project, which provides for removal by the Agency of the overhead utility lines.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-81 BE ADOPTED.

ADJOURNMENT:

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

APPROVED

July 7, 1981

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#4
6/2/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN FRANCISCO~~ HELD ON THE
2ND DAY OF JUNE 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of June, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig Mardikian

DEPOSITORY ITEM
CITY OF SAN FRANCISCO

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and the following were absent:

Rubin Glickman, Vice President
Walter S. Newman

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Sid Wolkoff, Union Bank-Arcon/Pacific; Lyman Jee, Jack Anderson, G. Pelayo, Arcon Pacific; Victor S. Abe, Nihonmachi Community Development Corporation (NCDC); Sim Seiki, George Yamasaki, Seiki Hardware; Bryant B. Brinkley, J. A. Nickerson, B.B. Brinkley; Mary Helen Rogers, Essie Collins, Western Addition Project Area Committee (WAPAC); and Rosalie and Erwin Ritz, Neill Hannan, and Benay Curtis interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner, Michael McWhinney, San Francisco Progress, and Larry Libert, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) The newly completed community facility building in the Western Addition A-2 has been named in honor of the late Supervisor Ella Hill Hutch.

Mr. Hamilton requested that the Commission recess to a Closed Session concerning a litigation matter.

President Berk announced that the meeting would be recessed to a Closed Session concerning a litigation matter. The meeting recessed at 4:10 p.m. and reconvened at 5:00 p.m. with the same roll call.

UNFINISHED BUSINESS

- (a) Consideration of termination/extension of Arcon/Pacific Ltd. Land Disposition Agreement, Parcels 3706-H and H(1); Yerba Buena Center.

In response to Mr. Hamilton's request, Leo E. Borregard, Agency General Counsel outlined: the history of Arcon Pacific's request for an extension; the proposals that had been made, and the ongoing discussions; Mr. Borregard then outlined the resolutions proposed for the Agency Commission to consider. Mr. Borregard stated that if the Commission concurred in the substance of the resolutions he should be instructed to put them in final form for action on June 9, 1981. He also recommended that the acceptance dates of the proposed resolutions should remain as 12 noon, June 10, 1981.

After taking public comment from Mr. Jerome Field, attorney for Arcon Pacific and from Mr. Sidney Wolkoff of Wells Fargo Bank and after consideration of the substance of the recommended resolutions as outlined by Mr. Borregard, the Commission instructed Mr. Borregard to prepare the resolutions for adoption at the regular Agency meeting, June 9, 1981.

Mr. Borregard then noted that in order to implement the Commission's direction the Arcon Pacific Ltd. Land Disposition Agreement termination date required extension to Wednesday, June 10, 1981 at 12 noon and he recommended that this be made subject to no lawsuit being filed by the Developer and without prejudice to the respective rights of the parties.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN AND UNANIMOUSLY CARRIED THAT THE RESOLUTIONS AS PROPOSED BY STAFF PERTAINING TO THE EXTENSION OF ARCON PACIFIC LTD. LAND DISPOSITION AGREEMENT, BE APPROVED IN CONCEPT AND BROUGHT BEFORE THE COMMISSION FOR CONSIDERATION AT THE REGULAR AGENCY MEETING OF JUNE 9, 1981, AND THAT THE TERMINATION OF THE LAND DISPOSITION AGREEMENT BE EXTENDED UNTIL JUNE 10, 1981, AT 12 NOON, ASSUMING THERE IS NO LAWSUIT FILED BY THE DEVELOPER AND ALL WITHOUT PREJUDICE TO RESPECTIVE RIGHTS OF THE PARTIES.

Mr. Borregard then stated that having reviewed the proceedings of the Regular Meeting, of May 26, 1981, as it related to Section 8.15 of the LDA with Arcon Pacific he believed there was an ambiguity regarding the absolute conveyance date that should be clarified.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE INTENTION OF THE ACTION OF MAY 26, 1981 WITH RESPECT TO SECTION 8.15 OF THE ARCON PACIFIC LTD. LAND DISPOSITION AGREEMENT AND NOW CONFIRM, THAT AGENCY COMMISSION MAY EXTEND THE ABSOLUTE CONVEYANCE DATE AT ANY TIME TO AND INCLUDING THE 14-DAY TERMINATION PERIOD, AS SAID TERMINATION PERIOD MAY BE EXTENDED FROM TIME TO TIME.

UNFINISHED BUSINESS (continued)

At this time, 6:00 o'clock p.m. the President declared a five minute recess.

The President reconvened the meeting at 6:05 p.m. with the same roll call.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-D(2) and Parcel 684-E(9), 1718-22 Fillmore Street, Western Addition A-2.

Resolution No. 190-81, authorizing a Land Disposition Agreement with Bryant and Lee Etta Brinkley for Parcel 684-D(2) and 1/11th interest in Parcel 684-E(9), a parking lot, approving Disposition Value and Ratifying Publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-D(2) and Parcel 684-E(9), 1718-22 Fillmore Street, Western Addition A-2.

Authorization is requested to enter into a Disposition Agreement with Bryant and Lee Etta Brinkley for the purchase of 1718-22 Fillmore Street and a 1/11 share of the parking lot in Victorian Square. In December, 1979, when Mr. Brinkley's negotiating rights were granted, he proposed use of funds from the Agency's Loan Program to apply toward purchase price. However, the uncertainties of this funding mechanism raised by the Ullman Bill eliminated that as a funding source. The use of market-rate financing would result in a negative cash flow and make the purchase infeasible for the Brinkleys. Subsequently, the Ullman Bill has been modified, Marks-Foran funds are now available and the Brinkleys can proceed with purchase of the building. They proposed to use \$125,000 of Marks-Foran funds toward the total purchase price of \$187,400 for the building and the parking lot. It was indicated that Mr. Brinkley has met the condition of the extension granted in February which was to deposit an additional \$66,400. The Commission had also granted the negotiating rights with the understanding Mr. Brinkley's accounting firm would occupy the second floor of the building, with retail uses on the ground floor which would attract more foot-traffic. The second and third floors comprise one dwelling unit, which would require extensive modification to accommodate Mr. Brinkley's business. Therefore, after evaluation of these factors, staff believed that retail use on the ground floor would attract an appropriate amount of pedestrian traffic. Both Victorian Square and WAPAC agreed with this evaluation and urged retaining the second and third floors for residential uses. All financial arrangements and conveyance of the building are scheduled for July 24, 1981.

Mr. Brinkley indicated that this development had taken a long time and was pleased with the assistance of staff and pledged that he would do his best to be a credit to the area and the City.

NEW BUSINESS (continued)

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-81 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-D(1) and Parcel 684-E(9), 1724-28 Fillmore Street, Western Addition A-2.

Resolution No. 191-81, authorizing a Land Disposition Agreement with Erwin M. and Rosalie J. Ritz for Parcel 684-D(1) and 1/11th share interest in Parcel 684-E(9), parking lot, approving Disposition Value and Ratifying Publication of Notice of Public Hearing; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-D(1) and 1/11th interest in Parcel 684-E(9), Western Addition A-2.

Authorization is requested to enter into a Disposition Agreement with Erwin M. and Rosalie J. Ritz for the purchase of 1724-28 Fillmore Street and a 1/11th share of the parking lot in Victorian Square.

Two proposals were received for the purchase of 1724-28 Fillmore Street and the Ritz proposal would include an owner occupied residential unit and the operation of an art store, gallery and a Certified Public Account office in the ground floor space. A 1977 survey ranked Accounting and Legal Services as the third highest priority under service uses in the area. The Ritz's are not Certificate Holders, but presently live and operate their businesses at 1702 Steiner in the Western Addition A-2 area. The gallery and art store are compatible to the other businesses in Victorian Square and will broaden the patronage of the area more than the other proposal received, which was also from a non-certificate holder and was for an optometry practice. Completion of all financing arrangements and conveyance is scheduled for October 2, 1981 and a Marks-Foran loan of approximately \$115,000 will be used to assist in the final purchase price of \$166,400. It was noted that the proposal received for the building has been reviewed and endorsed by the Victorian Square Association and WAPAC.

Mr. Ritz indicated he was looking forward to opening his businesses in and residing at Victorian Square.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-81 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-D(3) and Parcel 684-E(9), 1712-16 Fillmore Street, Western Addition A-2.

Resolution No. 192-81, authorizing a Land Disposition Agreement with Julian and Raye Gilbert Richardson, for Parcel 684-D(3) and 1/11th share interest in Parcel 684-E(9), parking lot, approving Disposition Value and Ratifying Publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-D(3) 1/11th interest in Parcel 684-E(9), Western Addition A-2.

Authorization is requested to enter into a Disposition Agreement with Julian and Raye Gilbert Richardson for purchase of 1712-16 Fillmore Street and 1/11th share of the parking lot in Victorian Square.

The selection of the proposal from the Richardson's provides for their occupancy of one of the units, operation of the Marcus book store on the ground floor and rental of the other unit to their daughter and her family. The survey of the uses needed in the area ranked a book store as third highest priority. The Richardson's presently operate a book store in an Agency-owned building at 540 McAllister Street, which they must vacate this year. The Schedule of Performance provides for completion of all financing arrangements and conveyance of the building by October 2, 1981. The purchaser will use a Marks-Foran loan for about \$170,000 to assist in the purchase price of \$239,400.

Mr. Richardson indicated his appreciation of staff's diligence and courtesy and assured the Commission they would be an asset to the community.

There being no further persons wishing to appear in connection with the matter President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-81 BE ADOPTED.

- (d) Resolution No. 193-81, approving the Third Amendatory Agreement to the Addendum to the Agreement contemplating a negotiated Disposition of Land between the Agency and the Nihonmachi Community Development Corporation for Parcel 686-G, located at the northwest corner of Post and Laguna, Western Addition A-2.

Authorization is requested to execute a Third Amendatory Agreement extending the Schedule of Performance for the LDA with the Nihonmachi Community Development Corporation (NCDC) for the parcel allocated to Mr. and Mrs. Sim Seiki. This parcel is located at the

NEW BUSINESS (continued)

northwest corner of Post and Laguna Streets. In November 1979, the Agency entered into the LDA for the parcel and in July of 1980 and in January of this year extensions were granted because the developer was having difficulty securing financing. The developer was placed in default on March 3, 1981 because he was unable to meet the most recent extension schedule due to the uncertainty of the money market. The NCDC has requested a 90-day extension to revise the development and for Mr. Seiki to submit evidence of availability of financing. The Schedule would be revised as follows: Submit evidence of financing from February 1981 to September 1981; Commence Construction from April 1981 to November 1981; and Complete Construction a year later. New appraisals would be made on this 6,250 square foot parcel, to review the last appraisal made in June 1978 because it is believed that the land price of \$56,250 is not reflective of current values. The extension would be conditional on acceptance of a new purchase price. The NCDC has urged approval of this amendment and if Mr. Seiki does not meet the revised performance schedule or if the amendatory is not approved, then NCDC requests that the Corporation be allowed to reallocate the parcel to another member/share holder. The two barber shops formerly located in the building on this site were temporarily located in house trailers and the costs of this temporary relocation were authorized in May 1980. This authorization covered the expenses anticipated for the immediate future, but significant delays in construction will increase these costs and may require future Commission consideration.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-81 BE ADOPTED.

- (e) Resolution No. 194-81, approving a Third Amendatory Agreement to the Agreement for Disposition of Land with Oscar J. Jackson and Jonathan D. Bulkley for Parcel 1100-D(1), east side of Beideman between Ellis and O'Farrell; Western Addition A-2.

Authorization is requested to execute a Third Amendatory Agreement to the LDA with Oscar Jackson and Jonathan Bulkley for the parcel on the east side of Beideman between Ellis and O'Farrell in A-2, which will extend for 90-days submission of evidence of financing. The LDA was approved in February 1980. The first amendment to the LDA, authorized in October 1980, was required to eliminate confusion regarding the Approval of Preliminary Construction Documents. The Second Amendatory, approved in March of this year, gave the developer a 90-day extension since he was unable to submit evidence of financing because of the high interest rate. The developer plans to build six market-rate townhouses and appears to be able to secure a financing commitment within the 90-day extension. The performance schedule would be revised as follows: Evidence of financing submission from June 2, 1981 to September 1, 1981 and Conveyance of the parcel from June 29, 1981 to September 29, 1981.

NEW BUSINESS (continued)

In reply to Ms. Mary Rogers, Chairperson, WAPAC, inquiry, Mr. Richard Kono indicated that Mr. Jackson had sent the Agency his certified costs and these would be forwarded to WAPAC and the Commission within two weeks. In reply to Ms. Blomquist's inquiry as to whether the disposition price would be adjusted to reflect a new appraisal value, Mr. Kono responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-81 BE ADOPTED.

- (f) Resolution No. 195-81, authorizing Third Amendment to California First Bank Loan Agreement Residential Rehabilitation Loan Program, Western Addition A-2.

Approval is requested to amend the loan agreement with California First Bank entered into on December 30, 1980. This would extend the Agreement until July 1, 1981 allowing the Agency to make mortgage loans until that time. The last amendment, which ended May 31, 1981, provides for the return to the Bank of any of the \$1,000,000 advanced to the Agency on December 30, 1980 that was not committed for mortgage loans. As of May 31, mortgage loans totaling \$570,000. will have been closed or committed. The remaining \$430,000 is to be used for 1431 Eddy Street, as it now appears that this loan will close. The Bank is agreeable to the one month extension.

Mr. Hunter Johnson, Chief of Rehabilitation, indicated that the Bank had set one month as the extension. Staff had thought four months were needed, but now it appears the last loan will close before the months extension has expired.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-81 BE ADOPTED.

- (g) Public hearing to hear all persons interested in the matter of the conveyance of 100 condominium housing units, Mariners Village.

Resolution No. 196-81, authorizing execution of Deeds in connection with the sale of all condominium housing units and ratifying the publication of a Notice of Public Hearing, Mariners Village.

President Berk opened the public hearing to hear all persons interested in the matter of the conveyance of 100 condominium housing units, Mariners Village.

Authorization is requested to execute the deeds and other conveyance instruments in connection with the sale of the 100 condominium units in Mariners Village. Purchasers of these units are currently being selected and the screening and qualifying process under the FHA Section 235 Program is nearly completed with conveyance of the first units scheduled for late June and all units to be conveyed within 60-days.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-81 BE ADOPTED.

- (h) Consideration of accepting a proposal from Levinson Brothers, Inc. for insurance on 21 buildings in Yerba Buena Center and Western Addition A-2.

Authorization is requested to accept the proposal from Levinson Brothers, Inc. to insure 21 buildings to be rehabilitated against fire, vandalism and malicious mischief.

These buildings are located in the Western Addition A-2 and Yerba Buena Center and are valued at \$2,250,100. Three proposal were received out of seven solicited and Levinson Brothers submitted the lowest bid of \$5,904 with a \$5,000 deductible and the firm's insurance carrier, Agricultural Excess and Surplus has an excellent rating.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE PROPOSAL FOR INSURANCE ON 21 BUILDINGS IN YERBA BUENA CENTER AND WESTERN ADDITION A-2 SUBMITTED BY LEVINSON BROTHERS, INC. BE ACCEPTED.

- (i) Resolution No. 197-81, authorizing execution of a Personal Services Contract for Delivery Services with Special "T" Messenger Delivery Services Company, all Redevelopment Project Areas.

Authorization is requested to enter into a contract with Special "T" Messenger Delivery Service Company to provide messenger services for six months in the amount of \$1,152 per month with an option to renew for an additional six months at the same rate. The current contract with On Target expires on June 8. Bids were solicited from five firms with three responding. Services will cover the two daily pick-ups from the Post Office; two runs daily from the four site offices; City Hall deliveries and deliveries to the Commissioners. Any waiting time will be an additional charge as will delivery of extra weight packages. Additional deliveries will be subject to regular posted rates. The On Target firm has performed very well in the past, but the savings that could be realized by using Special "T" in this period of tight budgets cannot be overlooked. Provisions for cancellation if services are not satisfactory are included in the contract.

Mr. Adolph Philoxene, On-Target Delivery Services, spoke on their behalf and indicated he had served the Agency for six years and realized that his firm was not being recommended because of poor service but because of cost and he requested to be considered for any services over the contract bid items. Mr. Hamilton indicated when bids were sought, the significant cost difference could not be

NEW BUSINESS (continued)

ignored, but also was concerned at not continuing with the good service being provided by On-Target. In reply to Mr. Lee's inquiry, Mr. Hamilton indicated that neither firm is area based and there is no language in the solicitation for bids which indicated a preferential treatment for area based firms. Ms. Blomquist indicated her approval of the service provided by On-Target, but she would have to support the proposed cost savings. Ms. Blomquist moved that the resolution be adopted. The motion died for the want of a second.

Mr. Lee suggested that the current On-Target contract be extended by thirty days in order to obtain more information.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE CONTRACT WITH ON-TARGET FOR DELIVERY SERVICES BE EXTENDED FROM JUNE 8, 1981 TO JULY 8, 1981.

- (j) Resolution No. 198-81, establishing classifications of positions and compensation for Agency staff, effective July 1, 1981, and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

Authorization is requested to approve a resolution establishing Agency classifications and rates of pay for the period of July 1, 1981 through June 30, 1982. Increases are based upon established comparability, either by an internal Agency salary relationship or by direct comparables with related City classifications. A five percent adjustment is recommended for Deputy Controller based upon the incumbent's request for consideration and staff's analysis of salary relationships and level of responsibility for similar positions in the Agency. Two new classifications are proposed based upon expected need: Deputy Project Director for Rincon Point - South Beach and Personnel Assistant. Title changes are proposed for two classifications to reflect the current terminology in the electronic data processing field: Senior Key punch Operator to Senior Data Entry Operator and Key punch Operator to Data Entry Operator. Also proposed in several changes in the administrative provisions of the salary resolution to keep the Agency in line with the current practices of the City, as incorporated in the City's Salary Standardization Ordinance: (1) primary operators of word processing equipment from five percent over the operator's current salary to a flat \$.61 per hour; (2) a six-and-one quarter percent night differential for those employees who are required to work more than one hour in their regular shift between the hours of 5:00 p.m. and 7:00 a.m.; and (3) a five percent supervisory differential for those employees who supervise employees whose salary is within five percent of theirs. Several requests for consideration of salary levels or comparable were received and all have been resolved except for one relating to the Community Services Representative classifications, which will require additional time for analysis by staff and for meeting and conferring with Local 400.

NEW BUSINESS (continued)

Depending on results of this study, an amendment to the salary resolution may be required. Considering the continuing high rate of inflation over the past year, it is believed that the average of 9.67 percent increase for Agency employees is appropriate and necessary in order to maintain competitive salaries.

Ms. Jane Wagner, Business Representative for Local 400, indicated that additional time was needed to analyze and meet regarding the classifications of Community Services Representative.

Ms. Blomquist indicated that she would not support the salary resolution and expressed concern that Agency salaries were not comparable with the City and asked how many salaries are not directly comparable and Mr. Nybakken indicated about 40% because the Agency has many functions not performed by the City there are not direct comparable classifications in many cases.

Ms. Blomquist inquired why the City's average percentage increase was lower than the Agency's and Ms. Hale stated that the difference resulted from the different mix of Agency employees and classifications. The City has 25,000 employees and the Agency has approximately 200, with varying increases depending upon the classification. This makes the City's increase appear to be lower than that proposed for the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE THAT RESOLUTION NO. 198-81 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Lee
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (k) Consideration of the Agency's preliminary 1982 Community Development Annual Program Budget and authorizing the Executive Director to transmit it to the Mayor's Office of Community Development.

RULE OF THE CHAIR: President Berk indicated that per staff's request and subject to the objection of any Commissioner that Item (k) would be continued for one week. There being no objection, it was so ordered.

NEW BUSINESS (continued)

Ms. Mary Rogers, Chairperson, WAPAC, indicated a lack of understanding why Ms. Blomquist voted yearly against increases for staff which she believed were doing a good job and worked very hard. Ms. Blomquist indicated that she believed the Agency had too many staff. Ms. Rogers expressed her belief that such a concern should be addressed to the number of staff not the issue of an increase for effective employees.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:15 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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6/19/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF JUNE 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of June, 1981, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Rubin Glickman, Vice President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

DEPOSITORY ITEM
- DEPT.

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and the following was absent:

PUBLIC LIBRARY

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Jane Vavra Weidinger, Local 400 Union Unit; Lyman Jee, Arcon-Pacific; N. Smith, Suttermore Associates; Janie C. Teisberg, Kutak Rock and Huie; Mary Rogers, Western Addition Project Area Committee (WAPAC); and Reverend Amos C. Brown, Third Baptist Church.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On June 4th two bids were received for construction of the 300 units in Hunters Point and these bids are now being evaluated by staff.
- (b) The dedication ceremonies for the Ella Hill Hutch Community Facility are scheduled for June 11, 1981 at 11:30 a.m.
- (c) A joint public hearing with the Planning Commission on the Yerba Buena Center Environmental Impact Report (EIR) Supplement One will be held on June 11 at 2 p.m. in Room 282 of the City Hall.
- (d) The Agency authorized exclusive negotiations with the National Maritime Union for the construction of a headquarters office building for the Union in Yerba Buena Center. A condition of the approving Resolution No. 74-81, adopted March 10, 1981, required

REPORT OF THE EXECUTIVE DIRECTOR (continued)

design refinement, including reevaluation of height and massing which was to be submitted no later than June 10, 1981. The design has now been revised and found acceptable by the Agency. It is now appropriate that a motion be entertained approving the massing, height, and general design of the building, recognizing that the Agency design review procedures will be incorporated into the land disposition agreement.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE MASSING HEIGHT AND GENERAL DESIGN OF THE NATIONAL MARITIME UNION BUILDING PROPOSED FOR PARCEL 3751-P, NORTHEAST CORNER OF HARRISON AND LAPU LAPU, YERBA BUENA CENTER, BE APPROVED.

Mr. Lee noted that he believed it had been a difficult problem to modify the design to meet the Agency's concerns and complimented the developer for the architectural solution that had been proposed.

- (e) Mr. Redmond F. Kernan, Deputy Executive Director commented on the Annual SPUR Conference which he indicated had focused on a number of local issues. He noted that HUD Secretary Samuel Pierce's comments had been particularly interesting but did not indicate any major support for the Agency's programs.

SPECIAL APPEARANCES

Ms. Shirley Wysinger, President of Local 400, announced that Ms. Bernice Watkins was the newly elected President of Local 400. Ms. Watkins introduced the other officers as follows: Juanita Williams, Vice President; John Bigham, Leonard Knittel, Fred McCollough, Sam Roberson, and Peter Theodor, Board Members.

NEW BUSINESS

President Berk indicated that because of a scheduling problem item 9(o) would be considered out of order.

- (o) Resolution No. 211-81, requests authorization to extend exclusive negotiations with Olympia & York Equities/Marriott/Beverly Willis (O&Y) for three weeks with consideration for a long-term extension to be calendared for the meeting of June 16. This development team was selected on November 20, 1980. Negotiations have not proceeded as expeditiously as anticipated and staff has now further evaluated the activities necessary to provide the quality of information necessary to the negotiations and the time required to permit public participation in the process. It is reasonable to expect this will require 12 months. The next steps are tentatively scheduled as follows: Mid-August - Public Workshop on concept/image alternates at Agency meeting. Late August - Commission consideration of selecting a single concept for refinement. Following this action negotiations of the business terms will be carried out with the anticipation that these can be concluded with a public hearing and

NEW BUSINESS (continued)

consideration of the LDA in December.

Consideration of extensions in two phases is being requested because present exclusive negotiations expire June 16 and staff believes it inappropriate to calendar the matter for consideration on the last day of the period. Ordinarily the full extension would have been scheduled for this meeting but the observation of a religious holiday today precludes the O&Y staff from being present and a 3-week extension will afford Mr. Soskolne, O&Y Project Director the opportunity to be present at the June 16 meeting. Staff believes exclusive negotiations with O&Y are proceeding in a satisfactory manner and recommends an extension to June 30, 1981 without penalty.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-81 BE ADOPTED.

President Berk announced that the meeting would be recessed to a Closed Session. The meeting recessed at 4:25 p.m. and reconvened at 4:45 p.m. with the same roll call.

UNFINISHED BUSINESS

- (a) Resolution No. 225-81, determination not to terminate Land Disposition Agreement and to extend time within which Arcon/Pacific, Ltd. must comply with conditions precedent to conveyance re: Parcels 3706-H and 3706-H1, Yerba Buena Center.

The action proposed for consideration represents the policy position adopted at the Agency meeting of June 2, 1981. Mr. Hamilton indicated that the Counsel for Arcon-Pacific has received the final revision of these resolutions and it is recommended that the Commission adopt the resolutions as they conform with the policy instructions. Mr. Leo Borregard, Agency General Counsel, then summarized the proposed changes, which are incorporated into Resolution No. 225-81.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-81 BE ADOPTED.

- (b) Consideration of the Agency's 1982 Community Development Annual Program Budget and authorizing the Executive Director to transmit it to the Mayor's Office of Community Development authorization is requested to submit a request to the Mayor for the allocation of \$9,200,000 of Community Development Block Grant funds to the Agency for the 1982 program activities. A program budget of \$17,396,498 had previously been proposed, however, in view of the limited funds anticipated to be available to the City, and based on subsequent review and discussions with senior staff and commissioners, the budget has been modified. It is now recommended that a 1982 budget request of \$9.2 Million be submitted to the City.

Ms. Mary Rogers, Chairperson WAPAC, requested information on the

NEW BUSINESS (continued)

complete budget and it was indicated that this material would be made available to WAPAC.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that administrative cost reductions would include termination of 25 positions. He noted that the objective was to maintain program momentum and not impair the Agency's capacity to carry out project activities.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT CONSIDERATION OF THE AGENCY'S 1982 COMMUNITY DEVELOPMENT ANNUAL PROGRAM BUDGET AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TRANSMIT IT TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT BE ADOPTED.

- (c) Resolution No. 184-81, requests authorization to grant Exclusive Negotiating rights to Suttermore Associates for development of two parcels 678-C(2) and 678-C(3) on Parcel 678-C(1) and an easement located on the north side of Sutter between Fillmore and Steiner Streets. At the meeting of May 26 this item was held over until staff could review the Agency's profit limitation program and obtain acceptance to Suttermore's Development Manager Paul Faberman. The developer now indicates his understanding and has agreed to comply with policy which requires that gross profits not exceed an agreed upon percentage of certified development costs submitted by the developer and actual sales prices of the units. Any profits over this limit will be shared on a fifty-fifty basis with the Agency. The developer's program regarding a parking variance has also been clarified and staff has been advised that all spaces required by the plan will be provided and no parking variance is to be requested. Approval of exclusive negotiations with Suttermore Associates until September 1, 1981 is recommended.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-81 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the Parking Variances for lots 20 and 21, Block 774, and density variance, Western Addition A-2.

Resolution No. 199-81, authorizing modifications of the requirements of the Redevelopment Plan for the Western Addition A-2 Project as related to the disposition of Parcels 774-A and C, Lot 20, El Bethel Terrace and Lot 21, el Bethel Arms, located on the west side of Fillmore between Golden Gate and McAllister, and ratifying publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

NEW BUSINESS (continued)

Authorization is requested to grant a density and parking variance, which will allow El Bethel to proceed with the development of 101 apartments for the low-income elderly on a parcel located at the southwest corner of Fillmore and Golden Gate Avenue. The variance will permit averaging of the Agency rooms allowed by the Western Addition A-2 Redevelopment Plan between the two elderly housing developments sponsored by the El Bethel Baptist Church to be located adjacent to each other. The El Bethel Arms development did not utilize the maximum number of Agency Rooms allowable on its site and by averaging the Agency Room count over the combined sites, the total development is within the maximum number of rooms permitted by the Redevelopment Plan. El Bethel Terrace and El Bethel Arms jointly request this density variance and a variance in the Redevelopment Plan's off-street parking requirements from one space for each two apartments and one space for each five apartments. The requested variance is similar to ones recently granted Jones Memorial Homes and the Japanese American Religious Federation and is consistent with the current requirement of the City Planning Code. A survey of parking at El Bethel Arms to determine actual use and found that the proposed variance would adequately serve the residents. With this variance, El Bethel Terrace can develop the area as landscaped, usable open space for residents use and improve the appearance of the development.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-81 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the Conveyance of Parcel 774-C, southwest corner of Fillmore and Golden Gate Avenue with El Bethel Terrace, Inc., Western Addition A-2.

Resolution No. 200-81, authorizing a Land Disposition Agreement with El Bethel Terrace, Inc. for Parcel 774-C, approving Disposition Value and ratifying publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

This site is adjacent to the 255 unit senior citizen housing development built by El Bethel Arms in 1973 and is also sponsored by El Bethel Church. The Commission granted exclusive negotiations in May 1980 which were subsequently extended pending HUD's response to the funding application for Section 202 and Section 8 for financing this 100+ units development for low-to-moderate income elderly households, plus some ground floor commercial space. The exclusive negotiation designation expired on January 20, 1981 and staff had anticipated having the LDA prepared for Commission action by then, but concerns about design, open space and parking provisions,

NEW BUSINESS (continued)

affirmative marketing and affirmative action program were not resolved. El Bethel Terrace, Inc. has now received a funding commitment from the Section 202 Direct Loan Program with Section 8 Rental Assistance and it is recommended that the LDA be approved with a schedule of performance which requires evidence of financing by January 1982; conveyance of the site by March 1982; and construction completion within eighteen months following conveyance.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-81 BE ADOPTED.

- (c) Public hearing to hear all persons interested in the Conveyance of Parcel 767-A and B, in the block bounded by Golden Gate and Van Ness, Franklin and McAllister to the State of California, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton requested that this item be held one week to work out several issues.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item 9(c) would be continued for one week. There being no objection it was so ordered.

- (d) Resolution No. 201-81, requests authorization to extend the Exclusive Negotiation period with Third Baptist Church until October 31, 1981, for development of Parcel 750-A located in the block bounded by Eddy, Fillmore, Turk and Steiner Streets, Western Addition A-2. The Church proposes to construct a sanctuary, day-care center, elementary school and multi-purpose community activities building, with a portion of the Fillmore Street frontage devoted to retail commercial uses. The Church's building committee is staffed on a volunteer basis and the day-to-day management of the process has been lacking and this has resulted in substantial delays. However, the Church has now hired Maria Vermiglio to assist and give professional guidance through this process. Ms. Vermiglio is presently considering the selection of an architect and will also coordinate negotiations of the LDA, monitor completion of schematic design and help to finalize the developer's financing program. Approval of this extension is recommended subject to several conditions: receipt of an AA Program within 75 days and submittal of detailed schematic drawings within 90 days and provision of evidence of equity capital within 120 days. The Church has accepted and agrees to the conditions.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-81 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 202-81, requests authorization is requested to enter into Exclusive Negotiations for 180 days with the San Francisco Ballet Association for Parcel 792-D located on the west side of Franklin between Grove and Fulton Streets. The Ballet Association has long been interested in this parcel for construction of a facility for the offices, school and practice rooms for its performances in the nearby Opera House. In October, 1977, the Ballet Association submitted a development proposal and security deposit for the parcel. Because of the unique location, in close proximity of the Opera House, this site was considered ideal for the Ballet's proposed development. However, in order to accommodate the total program, it was necessary for the Ballet to acquire the adjacent Union Oil property. Therefore, planning could not proceed until inclusion of that property was assured. This was accomplished on May 8, 1981 and the LDA will incorporate both parcels. With exclusive negotiating rights the Ballet will accelerate its program for raising the approximately \$8.6 million required for the development. Because the development is adjacent to the Civic Center, the exterior design of the building becomes very important and will be closely evaluated by staff. In January, 1980, the Ballet negotiated a "Memorandum of Understanding" with WAPAC to increase the participation of non-white minorities and residents in the professional occupations of the Ballet and vocational classes of the school as well as jobs related to the ballet. The Ballet has increased their minority enrollment in their classes from 138 to 202 students and from 10 to 18 on their staff. Staff believes this is a complimentary use in the Civic Center.

In response to Ms. Blomquist's inquiry Mr. Schlein, President of the Ballet Association indicated that the Ballet was proceeding expeditiously and urged approval of this development as an appropriate use in the Civic Center.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-81 BE ADOPTED.

- (f) Resolution No. 203-81, requests authorization to grant exclusive negotiating rights to Mr. Roy Chew for repurchase and rehabilitation of 1400 Post Street, Western Addition A-2 for a period of 90 days. When the Agency purchased this building from Mr. Chew in May of 1970, it was scheduled to be demolished because at that time it was determined that rehabilitation was not economically feasible. The Landmarks Advisory Board listed this building as having "Notable Visual and Historical Merit" and consideration was given to moving the building to Victorian Square and Mr. Chew was then considered for repurchase of the building in that location. This proposal was approved by WAPAC and Victorian Square Association, however, it was then decided not to move the building from 1400 Post and rehabilitate it in place. Mr. Chew has continued to express a desire to repurchase the property at the original purchase price of \$61,200 for rehabilitation as a single family dwelling with ground floor commercial space. HUD indicated that reversion title in the

NEW BUSINESS (continued)

former owner at the acquisition price is acceptable if the owner brought the building up to project standards in a specified length of time. The Agency policy for offering properties to former owner restricts such resale to former owner-occupants of residential buildings of no more than four units, however Mr. Chew did not reside in the structure at the time of acquisition. However, resale to Mr. Chew is recommended as a negotiated sale in view of the long standing interest by Mr. Chew and his management of the Golden West Grocery Store in the building for 25 years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-81 BE ADOPTED.

- (g) Resolution Nos. 204-81 and 212-81, requests authorization to approve SB-99 take-out financing for the development of Parcel 1129-B located on the southwest corner of Divisadero and Eddy Streets by Sapunar and Duering. On May 26 the Commission approved the Preliminary Official Statement which described the bonds that would provide financing for the 33 market rate single family condominium housing units proposed for this site. The first resolution provides for the Issuance of Redevelopment Agency Residential Mortgage Revenue Bonds, 1981 Issue A and the second resolution would approve the necessary documents to implement the transaction.

In response to Ms. Blomquist's inquiry, Mr. David Oster, Assistant Agency Counsel, recalled that the developers had originally agreed to make three units available to moderate income persons. Costs have risen so significantly that provision of these units would make the project economically infeasible. The developer has now proposed an option of a cash payment into the Agency's housing program. Mr. Hamilton noted that the proposal has not yet been evaluated, it will subsequently be submitted for the Commission consideration.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-81 BE ADOPTED.

- (h) (i) (j) Resolution Nos. 205-81, 206-81 and 207-81, requests authorization to extend the date for submission of evidence of financing for three developments in the Western Addition A-2. Parcel 677-B, located on the east side of Fillmore between Bush and Sutter Streets to be developed by the Bushmoor Associates extended to August 12; for the Okamoto-Sakurai development Parcel 724-A(1) on the southeast corner of O'Farrell and Webster to September 30; and for the Michael O'Neill development Parcel 743-B(2) located on the northeast corner of Franklin and Turk, also to September 30. In November of last year the Commission approved the Agency's Resolution of Intent subject to satisfactory agreements, to authorize mortgage revenue bonds or notes for certain developments

NEW BUSINESS (continued)

in the Western Addition. The Ullman Bill initially made it impossible to market bonds for these developments prior to the end of 1980, and more recently the spiraling interest rates have threatened the feasibility of these developments. These developers are in discussions with lenders, but continue to encounter difficulties in securing financing. Bushmoor and O'Neill intend to continue to seek SB-99 financing. Okamoto-Sakurai, due to the relatively small size of their development and high cost of issuing bonds, intend to seek a conventional mortgage commitment. The developers hope that during this time extension financing can be worked out.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-81 BE ADOPTED.

- (k) Resolution No. 208-81, requests authorization to execute an Amendatory Agreement to the LDA with Kimochi, Inc., for Parcel 688-A located on the southside of Sutter between Octavia and Gough Streets, Western Addition A-2. In April the Commission granted an off-street parking variance from the standards of the A-2 Redevelopment Plan conditioned on the Agency's receipt of satisfactory evidence by May 28 that the Japanese American Religious Federation had executed a lease with Kimochi for parking spaces. This has been received. At the April meeting the Commission also urged that Kimochi and JARF consider allocating five spaces rather than two and after extensive discussions during which a good faith effort was made by both parties an agreement was reached on a lease with only two spaces. The LDA has been modified to ensure provision of these spaces.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-81 BE ADOPTED.

- (l) Resolution No. 209-81, requests authorization to enter into a Letter Agreement with Pacific Gas and Electric Company for design of the relocation of their electric and gas facilities on Ellis Street between Fillmore and Webster in the Western Addition A-2, in an amount not to exceed \$2,600. This would begin the design work necessary to accommodate the development plan which would locate them partially in the Ellis Street right-of-way. This change is now being negotiated and staff anticipates Safeway's approval of the proposal and in view of the limited amount of time to prepare the site for the scheduled conveyance on January 1, 1982, it is necessary to have PG&E begin design work immediately.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-81 BE ADOPTED.

NEW BUSINESS (continued)

- (m) Resolution No. 170-82, requests authorization to contract for Title and Escrow Services with Lawyers Title Insurance Corporation for the Rincon Point - South Beach Project in an amount not to exceed \$25,000. A previous recommendation was calendared at the May 19 Agency meeting to contract with Title Insurance and Trust Company but the matter was held over pending staff preparation of additional information. Out of the eleven companies requested to submit proposals only 4 responded. It was staff's opinion that Title Insurance had better experience and capability for dealing with the complex problems involved in Waterfront property and they also maintain a staff of qualified personnel in San Francisco, which would assure expeditious handling of our initial requirements, as well as future demands. However, after carefully reviewing the proposals and discussing the scope of work with the interested firms and particularly considering the significant savings that could be realized by using the Lawyers firm particularly since it is the only company which would provide the Agency a refund if a transaction involving a subsequent sale or lease of the property by the Agency to a developer is ultimately handled by Lawyers. Lawyers is in the process of compiling the affirmative action information and an agreement will not be executed until it is received and approved.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-81 BE ADOPTED.

- (n) Resolution No. 210-81, requests authorization to extend Exclusive Negotiations for 60 days with the Parking Authority for Parcel 3735-D located on the northwest corner of Third and Clementina Streets in Yerba Buena Center for development of a public parking garage. Exclusive Negotiations were granted in December, 1978 and have been extended several times while the Parking Authority worked out financing and design issues. The design has not yet been approved for the garage and staff has been working with the project designer and the Parking Authority to resolve the design issues which include increasing the ground floor commercial space along Third Street and improving pedestrian circulation patterns. The Parking Authority has also been prevented from proceeding because the bonds for the garage could not be sold due to the lack of a City bond rating. The rating has now been restored but the current market will not permit sale of bonds within the 10% interest cap established by State law. State legislation has been introduced to modify this limitation and it is anticipated this should be resolved within the next 60 days. Staff is also exploring the potential for developing housing in the air rights above the garage and prospective developers are being contacted. The 60-day extension will allow for determination of the Parking Authority's bond issue and the feasibility of the housing development. A recommendation will then be calendared for an extension that will provide a realistic negotiating period.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND

NEW BUSINESS (continued)

UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 225-81, determination not to terminate Land Disposition Agreement and to extend time within which Arcon/Pacific, Ltd. must comply with conditions precedent to conveyance re: Parcels 3706-H and 3706-H(1), Yerba Buena Center.

Mr. Leo Borregard, Agency General Counsel, requested Commission consideration of amending Resolution No. 225-81 granting the Executive Director or the Agency General Counsel to extend Arcon, Inc.'s acceptance and return time to one hour after delivery but not beyond 5 p.m., June 10, 1981, to accommodate any mechanical difficulties in the delivery of Resolution No. 225-81 to Arcon, Inc. for execution could not be made by 11 a.m. on June 10, 1981.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED TO AUTHORIZE AMENDING RESOLUTION NO. 225-81 TO EXTEND THE ACCEPTANCE AND RETURN TIME TO ONE HOUR AFTER DELIVERY TO ARCON, INC. BUT NOT BEYOND 5 P.M., JUNE 10, 1981.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:50 p.m.

Respectfully submitted,

Helen E. Sause
Secretary

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6/9/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 9TH OF JUNE 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco recessed to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 4:25 p.m. on the 9th day of June 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee

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and the following were absent:

Rubin Glickman, Vice President
Walter S. Newman

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The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; and Helen L. Sause, Secretary.

NEW BUSINESS

- (a) Threatened litigation by Arcon/Pacific, Ltd. in connection with Parcels 3706-H and 3706-H-(1), Yerba Buena Center.

Mr. Borregard indicated that on the preceding Friday night the Commissioners had received a draft resolution which he believed embodied the content of previous discussions on the Arcon/Pacific Ltd. request for an extension of the submission of evidence of funding. He noted that the developer had requested 16 changes in this resolution and these changes had been received at 4:45 p.m. Monday; therefore, it had not been possible to advise the Commission of these changes. He then presented the changes and indicated the Agency's recommendation on each issue. The Commissioners agreed with his recommendations, and it was indicated that these would be reviewed again in the public session.

Mr. Borregard noted that Arcon/Pacific, Ltd. consisted of a limited partnership which had a general partner, Ralph Torello, who also needs to sign the documents related to the Commissioners' proposed action. He noted that he had suggested that the developer obtain a power of attorney from this general partner; however, there was no indication that this had been done, and he suggested that after signing the resolution that Arcon/Pacific, Ltd. be allowed to have an additional week, through the following Wednesday, to obtain the signature of this general partner. The Commissioners concurred in this recommendation.

Minutes of a Closed Session, June 9, 1981

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m. to the regular meeting.

Respectfully submitted,

Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF JUNE 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of June, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present.

Charlotte Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian

and the following were absent:

Rubin Glickman, Vice President
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Benny Stewart, Western Addition Project Area Committee (WAPAC); Ron Soskolne, Joe Madonna, Olympia and York; Beverly Willis, Beverly Willis and Associates; Warren Smith, State General Services Administration; Leroy Wise and Arnold Townsend, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner; Michael Mewhinney, San Francisco Progress; and Marshal Kilduff, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of Regular Meetings of March 3, March 24, April 7, and May 5, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Planning, Housing, and Development Committee of the Board of Supervisors was scheduled to hold a hearing today on the effect of redevelopment on businesses and housing in the South of Market area. This item was introduced by Supervisor Walker and staff would be reporting on the results of this hearing.
- (b) The grand opening of the Ella Hill Hutch Community Facility was held on June 11, 1981. The facility will be in full operation by June 22, 1981.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 767-A and B, located in the block bounded by Van Ness, Golden Gate, McAllister, and Franklin, to the State of California, Western Addition A-2.

Resolution No. 213-81 authorizing a Land Disposition Agreement with the Department of General Services, State of California, for Parcels 767-A and B, approving the disposition value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 767-A and B, Western Addition A-2.

Authorization is requested to enter into a Land Disposition Agreement (LDA) with the Department of General Services of the State of California for the parcel located in the block bounded by Van Ness, Golden Gate, McAllister, and Franklin Streets. Exclusive Negotiations were granted on March 24, 1980 with subsequent extensions to July 7, 1981. The State is proposing to develop a 210,000-square-foot office building and two-level subterranean garage for 225 cars. The disposition price of \$1,307,200 is based on a September, 1980 appraisal. The State will present the LDA to the State Public Works Board on June 26, 1981 for approval and appropriation of funds for acquisition and construction. The performance dates are: submission of evidence of financing, January, 1982; commencement of construction, March, 1982; and completion of construction, September, 1983. A contract is being prepared with the State to permit the Agency to demolish improvements on the adjacent State-owned property at the same time as Agency-owned properties are cleared from the site. The State will pay the Agency for the clearance of its property and this contract will be brought to your for approval at the appropriate time.

Leo E. Borregard, Agency General Counsel, called to the Commission's attention certain changes in the published Disposition Agreement and recommended that they be incorporated in the Agreement to be approved.

In reply to Mr. Lee's inquiry, Mr. Warren Smith of the State's Department of General Services indicated that the building would contain 210,000 square feet of office space and there would be daytime parking for 225 cars, which would be used for van pools, State cars and for the handicapped. He noted that there was a possibility for evening use of parking space.

There being no additional persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-81 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 214-81 authorizing termination of Agreement for Disposition of Land with Yerba Buena Village Foundation for Parcels 728-A, E and J in the block bounded by Ellis, Scott, and O'Farrell, Western Addition A-2.

NEW BUSINESS (continued)

- (b) Resolution No. 215-81 authorizing exclusive negotiations with Yerba Buena Foundation for Parcels 728-A, E, and J in the block bounded by Ellis, Scott, and O'Farrell Streets, Western Addition A-2.

The first action proposed would terminate the existing LDA with the Yerba Buena Foundation for the parcels located at the southwest corner of O'Farrell and Scott Streets which was for development of 75 Section 8 cooperative housing units. The second item would authorize Exclusive Negotiations for 90 days with Yerba Buena Foundation to develop 72 partially subsidized, limited equity, cooperative housing units on the same parcels. In August, 1979, an LDA was authorized for this development with Section 8 subsidies to be available and construction financing provided through the California Housing Finance Agency (CHFA). The extensions of time granted were to extend the schedule for submission of evidence of equity capital to obtain a new financing commitment from CHFA when it was determined that development costs were significantly higher than originally anticipated. Subsequently, the Department of Housing and Urban Development (HUD) took the position that the area was impacted and withdrew the Section 8 commitment. The Foundation then retained the John Stewart Company to try and obtain financing, and that firm is now negotiating a financing agreement between the City, the Agency, and with the State for use of the State Rental Housing Construction Program. In addition, an "inducement" resolution on the future intent to use SB-99 financing was approved in December, 1980. Staff believes these financing mechanisms will permit the project to go forward; however, there is sufficient change in the character of the proposed development to warrant terminating the existing LDA and enter into a 90-day exclusive negotiating period to work out the final arrangements and also to have the parcels reappraised.

In response to Mr. Mardikian's inquiry, Mr. Hamilton indicated that HUD's finding of impactation had two definitions: one was economic and the other was racial. HUD had indicated that the Agency and the Housing Authority had too many minority-occupied subsidized units. Mr. Mardikian also inquired as to the composition of the Yerba Buena Foundation and the proposed reduction of units from 75 to 72. He was particularly concerned about this reduction especially considering the housing crisis.

Mr. Hamilton indicated that Yerba Buena Foundation is composed of community people led by Dr. Ergina and the number of units had been reduced due to design considerations and the requirements of the State. In reply to Ms. Blomquist's inquiry, Ms. Lydia Joseph of the John Stewart Company explained the provisions of the limited equity program and noted that this was a non-speculative program which was intended to keep the housing affordable. She noted that the program provides for the State to pick up the subsidized portion of the mortgage. Mr. Kernan, Deputy Executive Director, indicated that this is a new State program and the State has permitted the City to apply for these funds but the Agency would administer and monitor the funds. When the Agreement is worked out it will be brought back to the Commissioners for approval.

In reply to Ms. Blomquist's inquiry, Mr. Robert Reece, Deputy Area Director, Western Addition A-2, indicated that the development is being sponsored by the Yerba Buena Foundation, but it would carry the name of Ergina Village.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-81 BE ADOPTED.

Mr. Mardikian reiterated his concerns about the loss of units and urged that the proposed reduction be more closely evaluated.

- (c) Resolution No. 216-81 authorizing a Permit to Enter with the Juneteenth Festival Committee for use of Blocks 707, 708, 725, and 726, Western Addition A-2.

Authorization is requested to execute a Permit of Entry with the Juneteenth Festival Committee for use of property located in the blocks bounded by Steiner, Webster, Ellis, and Geary for a celebration held on Agency-owned land adjacent to Fillmore Street. The use of this site would not interrupt any development schedule and the appropriate insurance coverage will be provided. Because of the Committee's nonprofit status, it is recommended that no rent be charged.

Mr. Benny Stewart, Director, Western Addition Project Area Committee (WAPAC), spoke in support of this item, but requested the insurance requirements be lowered from \$2 million to \$1 million. Ms. Jane Hale, Deputy Executive Director, Finance and Administration, indicated that there had already been a partial reduction in the insurance requirements to \$1.2 million and she felt that further reductions were not prudent. Mr. Arnold Townsend indicated his support of this item and also urged a reduction in the insurance requirements. He indicated that the majority of the activities would not be conducted on Agency-owned property but would primarily consist of food sales along the sidewalks and only a few activities such as having horses from the rodeo available for rides on the Agency's lots.

Mr. Mardikian indicated his concern that the \$1.5 million was not enough insurance for the kind of exposure this festival would produce and inquired as to the extent the Agency was liable. He also noted that he had seen the posters on the festival and expressed concern that the item had not been brought before the Commission earlier. Mr. Borregard noted that this insurance was a requirement particularly where such potential public involvement would occur but added that it was secondary because the Agency has its own coverage. Mr. King agreed that they should have come before the Commission earlier, but indicated that the festival had been held for six years without serious incidents and he urged the Commission to allow use of the property.

In reply to Mr. Lee's inquiry, Mr. Stewart indicated that the premium would be \$1,384 for the \$1.5 million coverage and that last year it had been \$700 for the coverage required of a half a million. In reply to Ms. Blomquist's inquiry, Mr. Stewart indicated that they had tried to obtain an umbrella policy but had not been able to do so.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-81 BE ADOPTED.

President Berk requested that this issue be calendared for May of next year.

NEW BUSINESS (continued)

- (d) Resolution No. 217-81 approving further extension of Exclusive Negotiating Rights for the Central Blocks with Olympia and York Equity Corp./Marriott/Beverly Willis, Yerba Buena Center.

Authorization is requested to extend negotiations with Olympia and York development team to December 16, 1981. It is believed that this time is necessary to successfully conclude the negotiations of the program for the YBC Central Blocks. The schedule submitted to the Commission last week indicated that alternate design concepts were being prepared and public workshops would be held in mid-August, 1981. This schedule is still being refined and an informational memorandum will be soon provided which gives the time table for these activities. The major issue impacting the schedule is the time required to prepare alternatives which include Block 1. Preparation of the alternate concepts and program is the major element of the negotiations and it is critical to the success of YBC that these aspects be done in a thorough and though. It is believed that the process can be concluded by the end of the year and the Agency and Olympia and York are working to achieve that objective.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-81 BE ADOPTED.

- (e) Resolution No. 218-81 authorizing an increase in the amount of lease payments to the Port of San Francisco for site office facilities, Rincon Point-South Beach

Authorization is requested to pay an increase in the lease of site office facilities for the Rincon Point-South Beach from the Port of San Francisco. In April of 1980, the Commission approved a lease with the Port of San Francisco for \$600 per month, with the actual monthly charge being \$577.58. Effective July 1, the Port Commission authorized a rental increase for all nonmaritime Port tenants who occupy space on a month-to-month basis, and the Agency's lease was increased to \$636.69. It is anticipated that the Office of Community Development (OCD) will be vacating and Rincon Point-South Beach staff will move into that space, but until then it is necessary to continue to lease space in the Ferry Building. The increase is reasonable compared with the standard rates for office space in the area.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-81 BE ADOPTED.

- (f) Resolution No. 219-81 authorizing indemnification of Transamerica Title Company against losses, if any, by such company insuring title against mechanic's liens filed, Mariners Village.

Approval is requested to enter into an agreement with Transamerica Title Insurance Co. that will indemnify the title company against any mechanic's liens that might be filed during the 60-day lien period following the filing of a Notice of Completion for the Mariners Village Development. Completion of this development is expected within the next 30 days and in order to allow conveyance of the units prior to expiration of the lien period, the title company insuring conveyance must be indemnified.

NEW BUSINESS (continued)

By expediting the conveyance of the units, the Agency may also be able to save \$25-30,000 in construction loan interest. In order to protect the Agency's interests, staff will be obtaining lien releases from subcontractors and the general contractors, which is in addition to the protection we are afforded by the performance, labor, and material bonds during construction and the guaranty bonds after completion.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-81 BE ADOPTED.

- (g) Resolution No. 220-81 authorizing Exclusive Negotiations with Leroy Wise, Sr. and Lila M. Wise for Lot 12, within Site S-4, Hunters Point.

Authorization is requested to enter into Exclusive Negotiations to August 18, 1981 with Leroy Wise for Lot 12 of Phase III Hunters Point for development of a single-family home. Exclusive Negotiations were previously granted to Harold and Opal McCoy who recently withdrew and the Wise's were the next developers in line based on the priority established in the offering. The Wise's proposed to build a single-family home for their own occupancy. During these Exclusive Negotiations the developers will submit architectural schematic plans for review and approval and negotiate an LDA.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-81 BE ADOPTED.

- (h) Resolution No. 221-81 authorizing a Letter Agreement with the San Francisco Department of Public Works for Building Inspection Services, All Project Areas

Authorization is requested to execute a Letter Agreement with the Department of Public Works for building inspection services in an amount not to exceed \$60,000. HUD regulations require that comprehensive property inspections be performed for all structures proposed to be retained and rehabilitated. This permits City and Agency staff to work as a team and combine their knowledge of construction, costs, and Agency and City standards and to ensure a thorough property inspection and reliable statement of rehabilitation costs. The Letter Agreement will provide for a full-time building inspector and for one electrical and plumbing inspector as needed for a one-year period.

In reply to Mr. Lee's inquiry, Mr. Hunter Johnson, Chief of Rehabilitation, indicated that there was only one building inspector for all the Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-81 BE ADOPTED.

- (i) Resolution No. 222-81 authorizing payment for Financial and Compliance Audit of categorical funds, all projects.

Authorization is requested to pay Coopers and Lybrand \$3,900 for a Financial and Compliance Audit of the Agency's categorical grants for the period February 1 through December 31, 1980. HUD regulations require a biennial Financial and Compliance Audit of Community Development Block Grant Funds (CDBG). This audit is the responsibility of OCD and the

NEW BUSINESS (continued)

Agency requested OCD to include the audit required by HUD of the Agency's CDBG funds. OCD solicited proposals for the audits and four responses were received. OCD contracted with Coopers and Lybrand as the low bidder.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-81 BE ADOPTED.

- (j) Resolution No. 223-81 authorizing an agreement with the University of California for a Work Study Program.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner, that Item (j) would be continued for one week at staff request. There being no objection, it was so ordered.

MATTERS NOT APPEARING ON AGENDA

Resolution No. 197-81 authorizing amendment to the Personal Services Contract with Rai Y. Okamoto, Yerba Buena Center.

Resolution No. 224-81 authorizing amendment to the Personal Services Contract with Thomas Aidala, Architect and Planner, Yerba Buena Center.

Authorization is requested to amend the personal services contracts with Rai Okamoto and Thomas Aidala to change the indemnification language. These contracts were authorized on May 26, 1981 and provide for evaluation of the proposed designs and plans for the YBC Central Blocks. The amendment would add the following language: "In regard to Consultant's professional services, the foregoing indemnification and agreement to defend shall be limited to those claims or demands resulting from this negligence or other wrongful conduct." Agency General Counsel has reviewed the requested change in language and advised it is appropriate in light of the nature of the services to be performed under these contracts.

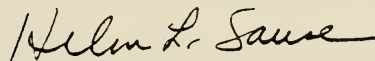
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 5:17 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

APPROVED

July 28, 1981

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6/23/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF JUNE 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of June, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Rubin Glickman, Vice President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Royce H. Vaughn, Liberation House, Inc.; Margaret Brady, San Francisco Parking Authority; Hilda Cloud, Senior Housing Corporation; Mary Helen Rogers, Essie L. Collins and Benny Stewart, Western Addition Project Area Committee (WAPAC).

Representing the press were Gerald Adams, San Francisco Examiner; and Michael Mewhinney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of July 22, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of January 27, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 10, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of April 21, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) Mr. Hamilton introduced H. Jesse Arnelle, Commissioner designate. The Commission welcomed Mr. Arnelle.

UNFINISHED BUSINESS

- (a) Resolution No. 223-81, authorizing an Agreement for Work Study Program with the University of California.

Authorization is requested to execute an agreement with the University of California for a work study program in an amount not to exceed \$10,000 for a one-year term. The Agency has participated for several years in this program that allows students to earn money while in school and gain work experience in the field of their major. The maximum hours worked are 20, an hourly rate between \$4.50 to \$5.50, of which the Agency pays 40 percent, with the remainder paid by the University through Federal Department of Education grants. The Agency's experience with this program has been very good, with the students bringing a fresh approach to a number of tasks in the Agency.

Ms. Blomquist inquired if this was reflected in the Community Development Budget, and Ms. Jane P. Hale, Executive Director of Finance and Administration, indicated that this cost was paid from funds available from unfilled positions and unused overtime.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-81 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed parking variances for Parcel 3752-A, southwest corner of Fourth and Folsom Streets, Yerba Buena Center.

Resolution No. 226-81, authorizing modifications of the requirements of the approved Redevelopment Plan as related to Parcel 3752-A, granting an off-street parking variance, and ratifying publication of Notice of Public Hearing, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in this matter.

Authorization is requested to grant a variance from the off-street parking requirements of 23 parking spaces for the proposed Fourth Street Associates development at the southwest corner of Fourth and Folsom Streets. The offering for this parcel expressed a preference for ground floor neighborhood oriented retail that would provide services for adjacent residents and street level activity. Because of this desire and the limited parcel size of 3,600 square feet, the

NEW BUSINESS (continued)

offering indicated the Agency would consider granting a variance from the parking requirements. If parking was provided on the ground floor it would eliminate the retail space and accommodate only a maximum of five to six cars. Parking above or below grade would necessitate a ramp system that would occupy a major portion of each floor's area and be inefficient in terms of area allocated for parking and circulation. With respect to parking in the area, the Fifth and Mission Garage has 1500 spaces and is located two blocks from the site, plus the Parking Authority is soon to develop a 750 space garage on Third Street, one and one-half blocks away, and there is good public transportation in the near vicinity.

There being no persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-81 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3752-A, southwest corner of Fourth and Folsom Streets, Yerba Buena Center.

Resolution No. 227-81, authorizing a Land Disposition Agreement (LDA) with Fourth Street Associates for Parcel 3752-A, approving Disposition Value and ratifying publication of Notice of Public Hearing, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in this matter.

Authorization is requested to enter into a Land Disposition Agreement with Fourth Street Associates for the parcel described in the preceeding action. Exclusive Negotiations were granted on March 3, 1981 for a development which originally had retail on the ground floor, a sub-surface floor with two floors of office above. However, the soils tests on the site conducted by the Developer indicated that bay mud underlies the site at approximately eleven feet below grade. This unexpected condition necessitates providing pile foundations to support the building. The physical constraints imposed by this type of foundation results in a reduction of the sub-surface retail area by 1,000 square feet and adds \$200,000 to the development costs to provide the pile foundation. The developer has thoroughly evaluated alternative approaches, and now propose to proceed to build a building on piles. With the retail area reduced by 1,000 square feet and to add on a third floor of office space to underwrite the additional foundation costs and loss of income from the reduced retail area. The building will have the same architectural elements as the original proposal, and staff does not believe the additional floor has a major impact on the proposed building or adjacent properties since height was not a principal consideration in the selection. The performance dates in the LDA are: submission of evidence by March 1, 1982, with commencement of

NEW BUSINESS (continued)

construction by April 1, 1982, and completion within 18 months of that date.

There being no persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

In response to Mr. Lee's inquiry, Mr. Kono, Acting Director of Development and Real Estate, indicated that the additional costs had been thoroughly documented by the developers. Mr. Newman inquired if the addition of a floor would require a variance, and Mr. Kono answered negatively.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-81 BE ADOPTED.

- (c) Resolution No. 228-81, authorizing extension of time for submission of proposals in connection with Offering No. 5 for Parcels S-6, AA-2 and DD-2, Hunters Point.

Authorization is requested to extend the time for submission of proposals for Offering No. 5 for scattered housing sites in Hunters Point from July 16 to August 20, 1981. This offering was approved on March 24, 1981. As a result of staff's efforts, seven developers packets have been sold and while those seven may be capable of producing a proposal satisfactory to the Offering, staff had anticipated a greater response from the development community. Additional time to submit proposals will allow staff time to personally contact potential developers to encourage their participation. With greater competition, it is felt that a more attractive design, better price structure and quality product will result.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-81 BE ADOPTED.

- (d) Resolution No. 229-81, approving execution of a Third Amendatory Agreement to the Land Disposition Agreement with John H. Wouldridge Investment Company, Inc., for Parcels T-1 through T-7, Hunters Point.

Authorization is requested to execute a Third Amendatory Agreement to the Land Disposition Agreement (LDA) with John H. Wouldridge Investment Co., Inc. for Parcels T-1 through T-7 located on the southwest side of Hudson and Keith in Hunters Point. The LDA entered into in March 1978 provided for a three-phase development of fourteen single-family homes. The developer encountered difficulties with his contractor and hiring a new firm delayed development of the three homes in Phase 2, and as a result, an Amendment was authorized in September 1980. The LDA was then amended again to provide later dates for submission of financing and conveyance of the second phase. On May 18, 1981, the developer was placed in default for failure to deliver financing evidence. The

NEW BUSINESS (continued)

developer again requested an extension due to his contractor's failure to meet the established timetable for completion of the first two homes, which affects delivery of financing, commitments and conveyance dates for the remaining 12 lots in Phase 2 and 3 because Olympia Savings & Loan has conditioned the financing of the remaining 12 homes on the completion and sale of the first two homes. The developer has indicated he has prospective purchasers for these first two homes. Staff believes the development should proceed and recommends amending the performance dates as follows:

In Phase 1, Completion of Construction from May 31, 1981 to July 20, 1981; In Phase 2, Submission of Evidence of Financing from April 1, 1981 to August 20, 1981; Commencement of Construction from May 20, 1981 to October 21, 1981; Completion of Construction from November 20, 1981 to May 21, 1982. Phase 3, Submission of Evidence of Financing from May 15, 1981 to December 21, 1981; Commencement of Construction from July 31, 1981 to February 24, 1982; and Completion of Construction from July 1, 1982 to September 25, 1982.

Phase 2's schedule has been expanded from three to five lots, lengthening development time for this phase, but shortening the Phase 3 schedule. Overall completion date for this development has been extended less than three months from the schedule set forth in the First Amendatory Agreement. Also Citizen's Savings & Loan, purchaser of the SB-99 Bonds for this project, has again agreed to extend its commitment to provide SB-99 financing for purchasers, which amendment will be calendared at a future meeting.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 229-81 BE ADOPTED.

- (e) Public hearing to hear all persons interested in the matter of the Third Amendatory Agreement to the Land Disposition Agreement with the Parking Authority for Parcel 792-A, Western Addition A-2.

Resolution No. 230-81, authorizing execution of a Third Amendatory Agreement to the Land Disposition Agreement with the Parking Authority for the reservation of Air Rights for the housing development above the Performing Arts Center Garage, Parcel 792-A, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the Third Amendatory Agreement to the LDA with the Parking Authority for Parcel 792-A, Western Addition A-2.

Authorization is requested to execute a Third Amendatory Agreement to the LDA with the Parking Authority for the Performing Arts Center Garage.

This amendment deletes the air rights above the proposed parking structure from the description of the property to be conveyed. This

NEW BUSINESS (continued)

amendment will also provide that if easement arrangements and price agreements are not reached within three months the air rights will revert to the Parking Authority. Since May a great deal of progress has been made toward the proposed development of housing for low and moderate income elderly persons over the Performing Arts Center Garage. However, there are two major issues yet to be resolved before the project can go forward. One is the right of the housing developer, Overture Associates, to purchase or lease required parking within the proposed garage from the Parking Authority. This would require Board of Supervisors' authorization. An ordinance has been introduced for the Board of Supervisors' consideration which would resolve this issue.

The other consideration is the price of the air rights in the eventuality that market-rate housing is authorized and built. It will be approximately four years before the space can be used and Overture has requested that a firm price be established for an eight year period in recognition of their substantial investment in the strengthening and other alterations to the parking structure. However, HUD and Agency policy requires reappraisal within 18 months of conveyance. A satisfactory resolution of this issue is being sought. This action today is needed to preserve the housing development opportunity which will proceed when these issues are resolved and it will enable the conveyance of the property rights to the Parking Authority by the June 30 appraisal deadline and initiation of garage construction immediately thereafter.

Margaret Brady, Executive Director of the Parking Authority, indicated that there were some minor issues to resolve but anticipated that these matters would be worked out and escrow could close within six days.

Hilda Cloud of the Senior Citizens Housing Corporation urged the Agency to continue to extend its support and assistance in developing the proposed 87 units of housing in the garage air rights.

In response to Mr. Lee's inquiry, Ms. Cloud indicated that the architect for the housing, Robert Herman, was present. Mr. Lee asked about the status of the ground floor retail and Ms. Brady indicated that retail was not an originally planned use but it is now included. The Parking Authority would hope to lease it during the six months before the garage was completed. She added that the housing plans had not been approved by the Authority. Mr. Mardikian inquired if the 90 day period could be extended if necessary, and Ms. Brady indicated that it would be essential to know if the garage would require additional strengthening in that time or else the garage would be significantly delayed. Mr. Newman inquired if the air rights reverted to the Parking Authority after 90 days and Mr. Borregard, Agency General Counsel, answered affirmatively. Mr. Newman stressed his support for accomplishing the strengthening of the building.

NEW BUSINESS (continued)

Mr. Robert Herman reviewed the plans for the housing and noted that the Chief Plan Checker for the City had approved them in writing.

In response to an inquiry from Mary Rogers, Chairperson, WAPAC, Mr. Borregard indicated that conveyance of land would hold the land price and was in accordance with Agency policy since the Parking Authority has plans approved and is ready to accept the land.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Ms. Blomquist noted that the housing would be low to moderate and inquired if this would affect the price and Mr. Borregard indicated that this would have to be resolved between the Developer, Overture and Associates, and the Parking Authority. Mr. Newman urged that all funding sources be explored to achieve the housing development. Ms. Brady assured the Commission that the Parking Authority staff and Commission were eager to work out the arrangement and would do all they could to be of assistance.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-81 BE ADOPTED.

- (f) Resolution No. 231-81, authorizing a contract for rental of reproduction equipment for the Western Addition Project Area Committee (WAPAC), Western Addition A-2.

Authorization is requested to extend the contract with Xerox Corporation for rental of a 3600 Copier for a period of 14 months in the amount of \$196. per month for the Western Addition Project Area Committee. The Agreement between WAPAC and the Agency requires the Agency to purchase or allow WAPAC use of capital expenditure items, such as office furniture or reproduction equipment. Xerox rents equipment on an extended term contract to state and local government entities that may require budget adjustments precluding continuation of the contract. Under the terms of this extended term contract, the cost of \$196 per month would hold through September 30, 1982, and if there is a reduction of the Agency's capacity to fund WAPAC after the December 31, 1981 close of our fiscal year, the contract can be cancelled upon 30 days written notice.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-81 BE ADOPTED.

- (g) Resolution No. 232-81, authorizing a Letter Agreement for rehousing inspection services, all redevelopment project areas.

Approval is requested to execute a Letter Agreement with the Department of Public Works for continuation of rehousing inspection services for a one-year period in an amount not to exceed \$37,750. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 requires displaced persons to be relocated to

NEW BUSINESS (continued)

decent, safe and sanitary housing and to achieve this, environmental inspectors provide a thorough inspection of all potential rehousing units. The requirements of the Department of Public Works necessitate reserving funds to cover the total cost of salary, fringe benefits and overhead for one inspector, however the Agency is only charged on the basis of each inspection.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Authorizing travel costs of applicants for position of Development Director.

The applicants for the position of Development Director have been interviewed and the two most interesting applicants are now available for Commission interviews. It will cost an amount not to exceed \$2,200 to bring Robert Sangster from Memphis, Tennessee and Frederick Morgenthauer from Harrisburg, Pennsylvania.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO EXPEND AN AMOUNT NOT TO EXCEED \$2,200 TO BRING TWO CANDIDATES FOR THE POSITION OF DEVELOPMENT DIRECTOR TO SAN FRANCISCO FOR COMMISSION INTERVIEWS.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

R35
#4
6/23/81
MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 23RD DAY OF JUNE 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 5:55 p.m. on the 23rd day of June 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Rubin Glickman, Vice President

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; David Oster, Assistant Agency General Counsel; Demetrio Salvador, Chief of Engineering; and Helen L. Sause, Secretary.

NEW BUSINESS

- (a) Consideration of settlement of claim by Bay Cities in connection with the Hunters Point Redevelopment Project

Mr. David Oster, Assistant Agency General Counsel, presented a summary of the facts in the case and recommended a settlement amount of \$181,581.00 for all claims which were in the amount of \$480,917.38

In response to Ms. Blomquist's inquiry, Mr. Oster indicated that the Agency had withheld \$147,000 until completion of the work. He noted that no liquidated damages had been included in the settlement but only issues where there were claims determined to be valid. Ms. Blomquist inquired if interest had been paid on the \$147,000 and Mr. Oster answered affirmatively.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT SETTLEMENT OF THE CLAIM BY BAY CITIES FOR \$181,581.00 BE RECOMMENDED, IN CONNECTION WITH THE HUNTERS POINT REDEVELOPMENT PROJECT.

- (b) Unlawful detainer settlement with a person residing in the Goodman Building, 1114 Geary Boulevard, Western Addition Area A-2.

Mr. Leo Borregard, Agency General Counsel, indicated that another resident in the Goodman Building was prepared to voluntarily agree to move, provided

NEW BUSINESS (continued)

that he be allowed to stay for another six months, or until the building is otherwise vacated, whichever is sooner. The resident's potential eligibility for relocation benefits would be unaffected by such settlement.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT STAFF MAKE THE NECESSARY ARRANGEMENTS TO ACCEPT THE SETTLEMENT OF THE UNLAWFUL DETAINER ACTION REGARDING THIS RESIDENT OF THE GOODMAN BUILDING, WESTERN ADDITION AREA A-2.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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#4
6/30/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN~~ FRANCISCO HELD ON THE
30TH DAY OF JUNE 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of June, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Rubin Glickman, Vice President
Leroy King

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Sammie Dukes, Dukes-Dukes and Associates, Inc.; Joseph Gallion, Terminals Equipment Company; Gary Fong, Kurtzman and Kodana; Robert B. Dietrich, Bay Group; Martha Ashe, Port Commission; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Geoffrey P. Schultz, Coldwell Banker; John Fox, Fox Properties; William Dawkins, Southern Pacific Land Company; Gary Mason, Campeau Corporation of California; and Earline M. and Sherman Hill, Stéva Cheatham, Simon Brown, Robert J. Primus, Gene Mabrey, Eric A. Webb and Oscar S. L. James, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of July 1, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session meeting of June 9, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the closed session meeting of June 16, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In-lieu taxes have been called from developers for the period of July 1, 1979 to June 30, 1980 in the amount of \$11,999, which brings the total in-lieu taxes to \$2,590,834 that have been collected for the City of San Francisco.
- (b) Yesterday, the Board of Supervisors approved the designation of H. Jesse Arnelle as an Agency Commissioner, and he is expected to be sworn in early in July.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of 13 lots in Site S-4, located off Whitney Young Circle on Hunters Point Hill, to 13 separate purchasers, Hunters Point, as follows:

Resolution No. 233-81, Gordon Reese, Lot 1; Resolution No. 234-81, W. Gene Mabrey, Lot 2; Resolution No. 253-81, Robert J. Primus, Lot 3; Resolution No. 236-81, Jimmie and Earnestine L. Wilson, Lot 4; Resolution No. 237-81, Melvin J. Hayes, Lot 6; Resolution No. 238-81, Simon C. Brown, Lot 7; Resolution No. 239-81, Sherman and Earline Hill, Lot 8; Resolution No. 240-81, Eric A. Webb, Lot 9; Resolution No. 241-81, Askia and Haiba Sonyika, Lot 10; Resolution No. 242-81, Steva Cheatham, Lot 11; Resolution No. 243-81, Oscar S. L. and Patricia James, Lot 13; Caesar Cornelius Young, III, Lot 14; Resolution No. 245-81, Tyson Joseph and Cassandra Dale Duhon, Lot 16.

President Berk opened the public hearing to hear all persons interested in the matter.

Authorization is requested to enter into Land Disposition Agreements for sale of 13 lots within Site S-4, which is located off Whitney Young Circle on Hunters Point Hill. Exclusive Negotiations were entered into this year on March 17 and May 12 with 13 certificate holders from the Hunters Point and India Basin area to residents and

NEW BUSINESS (continued)

developers located in the Bayview area. LDA's are scheduled for approval on the remaining three lots within the next 60 days. All of these 13 developers propose to build three or four-bedroom homes for their own occupancy. The performance schedules require submission of evidence of financing, February 28, 1982; commencement of construction, May 1, 1982; and completion in April 1983.

There being no persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

In reply to Mr. Newman's inquiries, Mr. Phil Westergaard, Business Development Specialist, indicated that the size of the lots varied from 2,500 to 4,000 square feet with some open space behind each lot that will be for the owners' use in common. The price of each lot was based on an appraisal that took into account size, location and view. In reply to Mr. Lee's inquiry, Mr. Westergaard indicated that these 13 developers would be owner occupants.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-81 THROUGH AND INCLUDING 245-81 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels FF-2, X-1 through X-10, Y-7 through Y-13, Y-15, Z-1 through Z-7, Z-9, Z-10, and Z-13, to Bay Vista Homes Limited, Hunters Point.

Resolution No. 246-81, authorizing a Land Disposition Agreement for Parcels FF-2, X-1 through X-10, Y-7 through Y-13, Y-15, Z-1 through Z-7, Z-9, Z-10 and Z-13, Scattered Phase I Parcels, to Bay Vista Homes Limited, a limited partnership, approving the disposal price and ratifying the publication of a Notice of Public Hearing, Hunters Point.

President Berk opened the public hearing to hear all persons interested in this matter.

Authorization is requested to enter into a Land Disposition Agreement with Bay Vista Homes Limited for 29 parcels in Phase I of Hunters Point. Bay Vista Homes is a limited partnership, formed by Dukes-Dukes and Associates, Inc. with Cal Fed Enterprises, a subsidiary company of California Federal Savings and Loan, and with the Nick Tavaglione Construction Company who will be the general contractor. Exclusive Negotiations were authorized in April of this year to develop 55 single-family homes in two phases. The developer plans to use the Agency's SB-99 mortgage subsidy bonds for permanent mortgage financing, with Miller and Schroeder as the proposed underwriter for these bonds. Also, under what is known as a "loan-to-lenders" program, Bank of California will utilize the bond proceeds to make permanent loans on the completed units. Currently 30 year mortgages at 12 percent interest are projected. The bond

NEW BUSINESS (continued)

program will be prepared within the next 60 to 90 days and will require approval of this Commission and the Board of Supervisors. The LDA is also structured in two phases. The first phase of the development consists of 18, three-bedroom units with submission of evidence of financing by December 1, 1981; construction commencement February 15, 1982; and completion October 15, 1982. The second phase consists of 37 units of two bedrooms each with submission of evidence of financing by May 3, 1982; commence construction by July 15, 1982 and completion of construction by June 15, 1983. Selling prices for these homes will range from \$86,000 to \$123,000 with a minimum of 5 percent down for families with incomes ranging from \$30,000 to \$50,000.

There being no persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

In reply to Ms. Blomquist's inquiry, Mr. Samuel Dukes, Dukes-Dukes Associates, indicated that the minimum down payment of 5 percent is projected under this SB-99 bond.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-81 BE ADOPTED.

- (c) Public hearing to hear all persons interested in an assignment of interest in the Land Disposition Agreement by Nicholas A. Sapunar and Mark L. Duering to Divisadero Heights, a Joint Venture, Parcel 1129-B, southwest corner of Eddy and Divisadero Streets; Western Addition A-2.

Resolution No. 247-81, authorizing the assignment of interest in Agreement for Disposition of Land by Nicolas A. Sapunar and Mark L. Duering to Divisadero Heights, a Joint Venture, Parcel 1129-B, Western Addition A-2.

Authorization is requested of the assignment of all rights, title and interest of Nicholas A. Sapunar and Mark L. Duering in the Land Disposition Agreement dated March 11, 1980 to Divisadero Heights, a joint venture, composed of Mark L. Duering, Inc., and Gimat Corporation, as joint ventures for the development of the parcel located on the southwest corner of Eddy and Divisadero Streets. The proposed development will consist of 33 market-rate residential condominium units and approximately 1,647 square feet of commercial space, plus required parking. On June 9, the Commission approved the SB-99 bond financing for this development, and the bond closing is scheduled to be completed by June 30 with the parcel being conveyed on July 7, 1981. The developer has advised that this assignment is for the purpose of realizing certain income tax advantages resulting from the joint venture structure. The developers will realize no profit from this assignment, and this in no way relieves them of any obligations, duties and responsibilities under the LDA.

NEW BUSINESS (continued)

Mary Rogers, Chairperson WAPAC, expressed concern about requiring the developer to set aside units for low-and-moderate income housing. Mr. Hamilton indicated that a policy addressing this issue was being prepared and would be reviewed with WAPAC prior to Commission consideration.

There being no further persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

In response to Mr. Newman's inquiry about the nature of the change in the joint venture, it was indicated that the developer was enroute to the meeting.

President Berk stated that action on this matter would be postponed until the developer was available and the discussion would continue at that time.

- (d) Resolution No. 248-81, authorizing an amendment to the note purchase agreement with United California Bank, Residential Rehabilitation Mortgage Revenue Note, Western Addition A-2.

Authorization is requested to amend the loan agreement with United California Bank, which would extend the agreement from June 30 to October 31, 1981. This agreement with UCB was structured in accordance with the "Ullman Bill" transition rules, and new financings arranged by the Agency for the Marks-Foran program must comply with the Mortgage Subsidy Bond Tax Act of 1980. The new legislation differs substantially from the Ullman transitional rules and contains many ambiguities. It has only been within the last month that bond counsel has been able to provide staff with somewhat definitive information concerning the loans the Agency will be able to make from future financings, and it appears unlikely that the Agency could make loans to finance purchase of remaining Victorian Square buildings under the new rules. Since the sale of these buildings has already been delayed because of financing difficulties, it is essential that the remaining UCB funds be allocated to complete the financing of the Victorian Square buildings. The designated purchasers of the remaining buildings have until October 2 to take title.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-81 BE ADOPTED.

- (e) Resolution No. 249-81, authorizing a contract with Miles Electric Company for the installation of controlled fire alarm system and smoke and heat detectors at 1329 Divisadero Street, Western Addition A-2.

Authorization is requested to enter into a contract with Miles Electric Company for installation of a fire alarm system and smoke

NEW BUSINESS (continued)

and heat detectors at 1329 Divisadero Street in an amount not to exceed \$3,900. This building was under an injunction from the San Francisco Superior Court for some time because of building code violations. At a hearing on May 14 the Court expressed concern about the Agency's noncompliance, particularly in view of the recent fire at 1424 Gough Street and has ordered the Agency to either immediately install smoke and heat detectors, or to have the building vacated. This building has 16 residential units and some commercial space which is designated for rehabilitation and negotiated sale to KP00 later this year. However, the sale is not anticipated to occur prior to the time the Agency must comply with the Court Order. Rather than vacate the two occupied units and commercial area, which would increase the possibility of vandalism, it is recommended that the contract be approved to make the necessary repairs.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-81 BE ADOPTED.

- (f) Resolution No. 250-81, authorizing the appointment of Deputy Controller and Deputy Project Director.

Approval of continuing Laurence J. Baratte as Deputy Controller and the promotional appointment of Walter D. Gaby as Deputy Project Director for Rincon Point - South Beach, is recommended. The recently adopted salary resolutions included these two new classifications which are subject to Commission approval and the incumbents serve at the pleasure of the Commission. This action will uniformly place all executive staff and division and project directors and deputies in that category.

Mr. Baratte has long held the position of Deputy Controller and has, except for a two-year break in service in the mid 1960's, been with the fiscal division since March 1960. This action would confirm his continued appointment as Deputy Controller. The second action is for the appointment of Walter D. Gaby to Deputy Project Director for the Rincon Point - South Beach. He has been with the Agency since March 1963, serving as Director of Planning and Programming from 1967 to 1972, then served with the Mayor's Office of Community Development on a work-order basis for 5 years. Mr. Gaby has served as Assistant Chief, Planning and Programming, since August 1977 and for most of this time has headed the Agency's planning effort for Rincon Point - South Beach, within the last six months assuming the Deputy responsibilities for Mr. Cannizzaro, the Project Director. These appointments would be effective July 1, 1981.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-81 BE ADOPTED.

- (g) Resolution No. 251-81, consideration of conditional award to low bidder, Amoroso, Verett, Nickles, for construction of 300

NEW BUSINESS (continued)

cooperative housing units, Phase II, Hunters Point.

Authorization is requested to consider conditionally awarding the construction contract for the 300 cooperative housing units, known as Cypress Grove, to the low bidder Ambroso/Verrett/Nickles in the amount of \$19,881,200, subject to HUD approval of the necessary funding, or rejection of both bids received. Contract documents were requested by 34 contractors and subcontractors and two prime contractors submitted bids. The bid package included a base bid with a list of 40 separate alternates to provide options for cost reductions. The alternates that staff believes are essential to Section 8 developments would add \$414,500 to the base bid bringing it to \$19,881,200. The Agency is required by the bid documents to make conditional award within 30 days and has a right to hold bids for a 90 day period from the bid opening date of June 4. If the final award is made within this time, it would be for the amount as bid which gives staff time to get a firm commitment from HUD. However, an additional 90-day bid holding period is provided and if final award is not made until the Agency is into the additional 90-day period, the bid amount will increase by 0.9 of 1 percent per month prorated on a daily basis. An independent cost analysis was prepared by Lee Saylor, Inc. for the Agency and it estimated the base bid with eight specific alternates at \$20,160,181. The low bid for the base bid work with the same eight specific alternates is \$20,480,770, 1.6 percent higher than the estimate. This is a differential between the HUD maximum allowable mortgage and the estimated replacement cost based on the low bid amounting to \$4,757,450. Alternate measures to cover the cost differential are being explored, and staff is attempting to identify alternate funding sources in order to save this development. Those sources may include additional Community Development Budget Grant funds; discretionary funds from the HUD Secretary; and funds derived from outstanding development obligations by commercial downtown developers. The conditional award of the contract does not entitle the contractor to any payment under the contract nor does it expose the Agency to any liability. Rejection of bids would leave the Agency with only one alternative: to readvertise and rebid. Staff has evaluated the cost estimates by Lee Saylor, Inc. and does not believe there is any advantage in rebidding this contract. Therefore, staff recommends an award to Amoroso, Verrett, Nickles in the amount of \$19,881,200, or in an adjusted amount should funds become available after September 2, 1981.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-81 BE ADOPTED.

- (h) Public hearing to hear all persons interested in the aggregation of land parcels within the Rincon Point - South Beach Redevelopment Project Area.

The purpose of this hearing is to give the property owners and the

NEW BUSINESS (continued)

general public an opportunity to comment on the Parcel Aggregation Report prepared for the Agency by ROMA. When public comment has been fully received, staff will analyze the report and public comments and prepare a recommendation which will be calendared for Commission consideration on which parcels are to be aggregated.

President Berk opened the public hearing to hear all persons interested in this matter.

Mr. Hamilton indicated that the Agency's "Owner Participation Rules", adopted on December 16, 1980, by Resolution No. 409-80, indicate that "certain individual parcels of real property within the project area must be aggregated to form parcels of adequate size and shape to accomplish the purposes of, and conform to, the Redevelopment Plan." The rule also states that "parcels to be aggregated will be determined by the Agency Commission after a noticed public hearing."

Mr. Hamilton recalled that the Commission contracted with ROMA architects for consultant services to determine the need for parcel aggregation. The ROMA report primarily considered the physical design aspects of site development. For each of five potential development sites which are in multiple ownership, the report: (1) identifies development schemes with and without aggregation; (2) evaluates the resulting development schemes; and (3) contains recommendations as to which existing parcels should be aggregated. Mr. Hamilton then requested Mr. Cannizzaro, Project Director, to provide background information on this matter.

Mr. Cannizzaro indicated that the owner participation process essentially involves eight major steps: (1) the Agency notifies all property owners of the existence of owner participation opportunities and provides them with a "Statement of Interest" form, which was done on March 30; (2) property owners complete and return the Statement of Interest to the Agency; this step has been completed and, of the 15 private owners, 14 have indicated an interest in becoming owner participants; (3) the Agency Commission, following this public hearing, determines which parcels must be aggregated; (4) the Agency requests interested owners to submit a schematic development proposal and indicates "whether the owner's parcel must be aggregated with others"; (5) within up to 120 days of the above request, the owners submit their proposals to the Agency; (6) within 60 days of the receipt of the above submittal, the Agency determines which proposals appear acceptable and notifies those owners who submitted proposals; (7) within 180 days of the above notification, the involved owners enter into an Owner Participation Agreement (OPA) with the Agency; and (8) the owners undertake development in accordance with the Redevelopment Plan. He noted that prior to receiving development proposals, the Commission must determine which parcels are to be aggregated.

NEW BUSINESS (continued)

Mr. Cannizzaro indicated that the Citizens Advisory Committee for Rincon Point - South Beach reviewed the ROMA report at its meeting on June 24. Mr. Cannizzaro introduced Boris Dramov, who summarized the reports. A full and complete copy of the transcript of this presentation is on file in the office of the Agency Secretary.

Mr. Jeffrey Schultz, Coldwell Banker expressed general interest in the report and asked for a copy to review: Mr. E. G. Harmon of 289 Stuart Street indicated that he and his brother were co-owners of property in the Stuart, Folsom and Embarcadero area under the name of Terminal Equipment Company. He expressed concern about the relocation of the Embarcadero Freeway which would take a portion of the property they owned. He also objected to the proposal to use the property as a park and urged that a hotel be the only alternative use considered.

There being no further persons wishing to appear in connection with this matter, President Berk declared that the public hearing would be continued until July 14, 1982 for the purpose of receiving additional public comment and staff recommendations.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner, Item (h) would be continued until July 14, 1982 at 939 Ellis Street at 4 p.m. There being no objection, it was so ordered.

President Berk announced that the meeting would be recessed. The meeting recessed at 6:10 p.m. and reconvened at 6:20 p.m. with the same roll call.

- (c) At this time Item (c), which had been continued earlier in the agenda was brought forward for continued discussion. , 12. "

Mr. Hamilton recalled that Mr. Newman had requested additional information about the joint venture and noted that Mr. Mark Duering was present. Mr. Duering indicated that under the present agreement, he and Mr. Sapunar were obligated to secure the development financing with their own personal guarantees and at this time they wished to transfer the obligation to a corporate responsibility.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 261-81, authorizing a second amendatory agreement with Divisadero Heights, a joint venture, Parcel 1129-B, Western Addition A-2.

Mr. David Oster, Assistant Agency Counsel, indicated that because of the schedule of bond closing for Parcel 1129-B, it was necessary to

MATTERS NOT APPEARING ON AGENDA (continued)

amend the LDA to extend the schedule of performance to extend the close of escrow from July 7, 1981 to August 13, 1981. He noted that the amendatory also included other nonsubstantive items. Mr. Hamilton summarized the proposed action, noting that it would extend the schedule in the LDA to August 13, 1981, convey property while the title was held by the Agency, and accept a \$1,000 deposit to be held in escrow. In response to Mr. Newman's inquiry, Mr. Hamilton noted that a deed of trust would be covered by a quick claim deed conveying the property back to the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-81 BE ADOPTED.

(b) Demolition Performing Arts Garage Site, Western Addition A-2.

Mr. Borregard noted that demolition of the buildings on the Performing Arts Garage site was not yet completed, however it is necessary for the City to have access to the property. He indicated that the City had adequate insurance and would provide the appropriate indemnification of the Agency.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO EXECUTE A PERMIT TO ENTER FOR THE CITY OF SAN FRANCISCO FOR ACCESS TO THE PERFORMING ARTS GARAGE SITE, WESTERN ADDITION A-2.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a Closed Session on a personnel matter. The meeting adjourned at 6:35 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF JULY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of July 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Rubin Glickman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Kevin Kelley, Heritage; Lydia Joseph, John Stewart Company; Gary Rogers, Benny Stewart, Western Addition Project Area Committee (WAPAC); Len Van Der Sluice, Daverman Associates, Inc.; Arnold Townsend, KPOO, and Jesse Arnelle, Commissioner designate.

Representing the press were Mike Mewhinney, San Francisco Progress, and Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of May 12 and 26, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of a Closed Session of May 12, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners that public hearings would be held on the 1982 Community Development Preliminary Program July 14 and 16, 1981 at 7 p.m. in the Chambers of the Board of Supervisors in the City Hall.

NEW BUSINESS

- (a) Resolution No. 252-81 awarding Demolition Contract No. 76 to Campanella Construction to demolish 1424 Gough Street, Western Addition A-2.

Authorization is requested to award Demolition and Site Clearance Contract No. 76 to Charles S. Campanella, Inc. for \$28,597. This contract will

NEW BUSINESS (continued)

provide for the demolition of 1424 Gough Street, which sustained major fire damage on May 7, 1981. The staff analysis of the building indicates it is economically infeasible to rehabilitate and that demolition of the building would allow a higher utilization of the site. Nine contractors requested contract documents and six submitted bids, which were opened on June 26. The low bidder, Charles Campanella, Inc., is located in Oakland and has previously satisfactorily completed demolition contracts for the Agency.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-81 BE ADOPTED.

Mr. Lee indicated his satisfaction in the number of bidders for this contract.

- (b) Resolution No. 253-81 authorizing termination of a Land Disposition Agreement with Bradley and Swason for Parcel 1127-E(1), northwest corner of Scott and Eddy, Western Addition A-2.

Approval is requested to terminate the Land Disposition Agreement (LDA) approved in November, 1980 with Bradley and Swason which provided for the purchase and rehabilitation of the parcel located on the northwest corner of Scott and Eddy Streets. The developer had completed construction documents, obtained bids, and the Agency had set aside \$150,000 of Marks-Foran funds and the developers were required to come up with \$75,000 to complete the work. The developers found the project infeasible after an analysis of the cost of purchase and rehabilitation compared to the projected debt service and income. Therefore, it is recommended that the LDA be terminated and the developers deposit returned, and in the nearfuture, staff will recommend either a negotiated sale or public offering for this property.

Ms. Blomquist inquired as to the specific date the property would be disposed of and Mr. Gene Suttle, Area Director, Western Addition A-2, indicated that there would be an offering of buildings in September; however, if there was a negotiated sale, the property would be disposed of earlier.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-81 BE ADOPTED.

- (c) Resolution No. 254-81 authorizing Owner Participation Agreement with Jacques and Dorothy Unhassobiscay and Eugene V. and Ursula B. Borelli for 1440 Steiner, Western Addition A-2.

Authorization is requested to enter into an Owner-Participation Agreement with Jacques and Dorothy Unhassobiscay and Eugene and Ursula Borelli for the property at 1440 Steiner Street. This wood-frame, three-story building contains 12 one-bedroom apartments. The present owners purchased the property several months ago and proceeded to rehabilitate the building without the Agency's knowledge. In a routine process of investigating buildings for owner-participation rehabilitation, staff found that all work had been done to meet City codes and Agency

NEW BUSINESS (continued)

Rehabilitation Standards. Total cost of rehabilitation was about \$220,000 and was financed through private funds. Authorization is now requested to execute an Owner-Participation agreement in order to certify compliance with the Redevelopment Plan requirements.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-81 BE ADOPTED.

- (d) Resolution No. 255-81 authorizing an Owner-Participation Agreement with Donald R. and Lillian O. Schaller for 750 Harrison Street, Yerba Buena Center

Approval is requested of an Owner-Participation Agreement with Donald and Lillian Schaller for the one-story commercial building at 750 Harrison Street. The total rehabilitation cost of \$61,000 was financed through a Department of Housing and Urban Development (HUD) Section 312 Loan of \$50,000 and some private financing. In accordance with Agency policy, an Owner-Participation Agreement (OPA) is normally executed prior to commencement of the rehabilitation work; however, in this case, a definitive agreement was worked out on financing, but the OPA was never executed. The work was performed in accordance with Agency standards and it is recommended that staff be authorized to execute an OPA in order to certify compliance of the work with the Redevelopment Plan requirements.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-81 BE ADOPTED.

- (e) Resolution No. 256-81 authorizing a change order to Rehabilitation Contract No. 1 to provide additional funds for plumbing modifications, Mariners Village

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this matter, at the request of staff, be held for two weeks. There being no objection, it was so ordered.

In reply to Mr. Lee's inquiry, Mrs. Jane P. Hale, Deputy Executive Director of Finance, indicated that this delay was necessary in order to resolve several issues, but that the work was going forward.

- (f) Resolution No. 257-81 approving a consultant contract for legal services for Cypress Grove Development with Michaud and Hoshiyama, Hunters Point

Approval is requested to enter into a consultant contract with the law firm of Michaud and Hoshiyama for legal and organizational services for Cypress Grove Cooperative Development in an amount not to exceed \$25,000. This firm would perform services under the general direction of the Agency General Counsel for the formation of the cooperative aspects of the development of the project. There are few local law firms with expertise in cooperatives and HUD/FHA loan closings, and of the two firms considered, staff recommends Michaud and Hoshiyama because of the exemplary services

NEW BUSINESS (continued)

they provided in the development of Mariners Village. Total compensation shall be \$25,000 or the amount approved by HUD in the firm commitment, whichever is less.

In reply to Ms. Blomquist's inquiry, Mr. Joseph Lejarza, Deputy Area Director, Hunters Point, indicated that as soon as the firm commitment is received from HUD, construction would commence immediately with the first 100 units completed within a year. It is anticipated that the commitment will be received in October, 1981. Mr. Hamilton then indicated that there was a gap of \$4.75 million and that the scheduling of the project depended on finding the funds to fill that gap. In reply to Ms. Blomquist's inquiry as to whether the next three agenda items regarding Cypress Grove could be held, Mr. Hamilton indicated that they were needed at this time in order for the project to proceed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-81 BE APPROVED.

- (g) Resolution No. 258-81 approving a consultant contract for supervising architectural services for Cypress Grove Development with Daverman Associates, Hunters Point.

Authorization is requested to enter into a Personal Services Contract with Daverman Associates, Inc. for supervising architectural services for Cypress Grove Development in Hunters Point. On June 4, 1981, staff interviewed three of the five firms considered for these services. Based on those interviews, they concluded that Daverman Associates, Inc. was best qualified to perform the necessary work. The services of a supervising architect are also needed to do a thorough re-examination of the development plans and identify modifications that could effect further economies to close the \$4.75 million gap between HUD/FHA maximum allowable mortgage and the estimated replacement cost based on the low bid received for the construction contract. The maximum amount for these services is based on .67% of construction cost or \$133,204 and since this is a mortgage related expenditure it will be paid out of mortgage proceeds. Also payment for these services will be made on a time and material basis and only for work authorized by the Agency under approved work orders. This gives the Agency flexibility in terminating the contract should HUD disapprove funding for the development.

In reply to Mr. Mardikian's inquiry, Mr. Joseph Lejarza indicated that Daverman Associates was not based in San Francisco, but in Palo Alto with offices in Oakland. Mr. Glen Van der Sluice of Daverman Associates commented that there would be a resident clerk from Hunters Point on the job and he would be supervising the work. Mr. Mardikian expressed his belief that all things being equal an effort should be made to hire San Francisco-based firms, but he assumed that staff had found the Daverman firm was the most qualified and Mr. Hamilton reaffirmed this assumption and indicated that the work required highly specialized services which this firm had the expertise to do the job. In reply to Mr. Lee's inquiry about hourly rates, Mr. Van der Sluice indicated the multiplier used was 2.65 times the hourly rate, which included all expenses.

NEW BUSINESS (continued)

Mr. Lee expressed concern that other firms were using a 2.15 multiplier and Mrs. Jane P. Hale indicated increases in fringe benefits had increased the multiplier.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-81 BE ADOPTED.

- (h) Resolution No. 259-81 authorizing a contract with John Stewart Company and Management Systems, a joint venture, for marketing and management services for Cypress Grove Development, Hunters Point

Authorization is requested to contract with the joint venture of the John Stewart Company and Management Systems, Inc. in an amount not to exceed \$9,000 for Cypress Grove development. Earlier this year, staff was authorized to negotiate with this joint venture to provide marketing and premanagement services. Staff now feels authorization for the comprehensive services can be postponed, but that certain services are needed at this time. These services include: preparation of the development's Management Plan; completion of the Affirmative Marketing Plan; and provision of technical expertise as the Agency prepares a financing plan for the development. Of the \$9,000 recommended, a lump-sum of \$4,000 will be for preparation of the Management Plan and the additional information needed on the Affirmative Marketing Plan. The remaining \$5,000 will be for technical advice on an as-needed basis. The contract provides that any funds expended for these services be reimbursed from the funds available in the mortgage package. However, it should be noted that if the project does not proceed, the Agency will have to pay for the costs incurred by this contract.

Mr. Mardikian inquired if there was a San Francisco firm that had the skills to do this job and Mr. Hamilton indicated the John Stewart Company has long been involved in Hunters Point, there was no San Francisco firm that had the expertise they had and Management Systems, Inc. is a minority-owned firm from Detroit, Michigan with offices in San Francisco. In response to Mr. Lee's inquiry, Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated that staff seeks such firms from those recommended by HUD as companies with the expertise needed for the job. Also, staff has extensive expertise in the Bay Area on firms who do this kind of work. Mr. Mardikian requested that in the future the Commission memoranda provide background on staff's effort to locate San Francisco-based firms. Mr. Hamilton indicated that this would be done but this particular firm had been involved when the original issue of constructing the 300 units had been considered in August, 1980. In reply to Mr. Newman's inquiry, Mr. Mills indicated staff had and expertise to select the firm to do the job, but not to provide the particular services required which could be successfully done by this firm.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-81 BE ADOPTED.

Ms. Berk indicated that the staff always preferred to select San Francisco-based firms and Mr. Hamilton answered affirmatively.

NEW BUSINESS (continued)

- (i) Resolution No. 260-81 authorizing the Executive Director to travel to Washington, D.C. to attend NAHRO's 1981 Housing Forum

Authorization is requested for the Executive Director to travel to Washington, D.C. This trip will be for the purpose of meeting with HUD officials to discuss funding of the Cypress Grove 300 Co-operative units in Hunters Point, and resources for maintenance of the public spaces in Agency projects. It is also planned to meet General Services Administration (GSA) officials on the proposed transfer of 49 Fourth Street in connection with the Central Blocks development in Yerba Buena Center (YBC). While in Washington, he will be attending Community Revitalization and Development Committee meetings which are being held in connection with NAHRO's 1981 Housing Forum. These meetings are important to the Agency because they concern the Administration's policies on community development, and State's role in community development as well as providing an informal opportunity to discuss such issues with HUD.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-81 BE ADOPTED.

Mr. H. Jesse Arnelle, Commissioner designate, indicated that he would be away and therefore would not be sworn in until his return at the end of July.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to a closed session on July 14, 1981 at 2 p.m. to consider a personnel matter. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

July 21, 1981

R35
#4
7/14/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 14TH DAY OF JULY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 2:00 p.m. on the 14th day of July 1981 from the regular meeting held on July 7, 1981.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Melvin D. Lee
Haig G. Mardikian

and the following were absent:

Rubin Glickman, Vice President
Leroy King
Walter S. Newman

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; James Nybakken, Personnel Officer; and Helen L. Sause, Secretary.

NEW BUSINESS

(a) Interviews of applicants for the position of Director of Development

Mr. Hamilton briefly described the background of the two candidates to be interviewed. In response to Mr. Lee's inquiry, Mr. Hamilton noted that both applicants appeared to be qualified for the position, however, each had different strengths and weaknesses.

The Commission then interviewed Messrs. Robert Sangster and Frederick Morganthaler, III.

Mr. Hamilton then summarized his reaction to the applicants, noting briefly that in his opinion Mr. Morganthaler had more extensive experience in downtown development, whereas Mr. Sangster's strengths appeared to lie in the field of housing. He indicated that both applicants appeared to have the capacity to strengthen their expertise to provide the support that the Agency needed. He noted that prior to making a recommendation he would check references on Mr. Morganthaler, and that both the prior reference check prepared for Mr. Sangster and the summary of the Morganthaler reference check would be sent to all the Commissioners.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:50 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JULY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of July, 1981, the place, hour, and date duly established for the holding of such meeting.

President Berk called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Leroy King
Melvin D. Lee
Haig G. Mardikian

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and the following were absent:

Rubin Glickman, Vice President
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Geoffrey P. Schultz, Coldwell Banker; Rev. Roy Mack, Rev. L. D. Anderson, East Oakland Deliverance Center; N. Toussaint, D & T Associates, Inc.; J. Gallion, E. Horsman, Terminals Equipment Co., Inc.; Anne Halsted, Rincon Point-South Beach Citizens Advisory Committee; Mary Rogers, Benny Stewart, Western Addition Project Area Committee (WAPAC); Youn S. Chey, Soon K. Hong, The Multi-Service Center for Koreans; Deborah Norman, Coordinating Council; Robert Noriso, Broadway Mechanical Contractors; Floyd Anterat, Sylvester Brown, Lenora Roberts, and John Fox, interested citizen.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the minutes of the regular meetings of February 17, 1981 and April 28, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisors considered the issue of the air rights and housing proposed to be constructed above the Performing Arts Center Garage on July 13, 1981. The matter was continued until July 20, 1981.
- (b) The Public Hearing on the Preliminary Community Development Budget will start at 7:00 p.m. tonight. The Mayor will make an opening statement.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the Aggregation of Land Parcels within the Rincon Point-South Beach Project Area. (Continued from June 30, 1981.)

Resolution 262-81, Block 3741, Lots 11, 21, 25, 27, 28 and 29;

UNFINISHED BUSINESS (continued)

Resolution No. 263-81, Block 3742, Lots 3, 4, 12, 13, 5, 7, 8, 8A, 9, 10 and Block 3743, Lot 1; Resolution No. 264-81, Block 3774, Lots 18 and 24; Resolution No. 265-81, Block 3789, Lot 12; and the northerly 200 feet of Lot 15; Resolution No. 266-81, and Resolution No. 267-81, Block 3793, Lot 1, 2 authorizing the above parcels to be aggregated and ratifying publication of Notice of Public Hearing, Rincon Point-South Beach.

President Berk opened the Public Hearing to hear all persons interested in the above matter.

Mr. Hamilton indicated that in April of this year, the Agency Commission authorized the consultant firm of ROMA Architecture and Urban Design to undertake a study for the parcel aggregation and the consultant firm completed its report in June which was explained during the public hearing on parcel aggregation held by the Commission on June 30, 1981.

Mr. Hamilton and Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that the owner participation process for the Rincon Point-South Beach Project involves several major steps. This step involves requesting a proposal for participation from each of the interested owners and the Commission will need to determine which parcels are to be aggregated. Mr. Cannizzaro then described each site and the aggregation recommended.

Speakers on the matter included Ms. Anne Halsted, Mr. Davey, Mr. Ellis Horsman, Ms. Lenora L. Roberts, and Mr. John Fox. Discussion followed.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Mr. Mardikian expressed concern over the rights of the property owners noting his belief that such rights should be observed and each owner should be able to participate. He noted he could not support a proposal which he did not believe observed these ownership rights.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MR. LEE THAT RESOLUTION NO. 262-81 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. King
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Mr. Mardikian

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. KING THAT RESOLUTION NO. 263-81 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. King
Mr. Lee

EW BUSINESS (continued)

(f) Workshop to consider cultural uses in the Central Blocks of Yerba Buena Center

This workshop on the cultural component for the Central Blocks of Yerba Buena Center (YBC) is to hear comments on the proposed cultural program. The sixth large meeting of the arts community was held on June 22, 1981 to consider the preliminary YBC Cultural Plan Design Scenario prepared by Agency consultants, Morrish and Fleissig. This plan was a consolidation of the arts community's cultural planning efforts over the past eight months. Staff recommends adopting the "showcasing" concept as satisfying the obligation in the Request for Qualifications (RFQ) that cultural uses be planned for a minimum of 50,000 square feet of land in YBC's Central Blocks. During the next weeks, staff anticipates exploring the most appropriate ways to implement the "next steps" outlined in the Cultural Plan Design Scenario of which the arts community has identified two items they believe have the highest priority: (1) execution of a feasibility study for the proposed performing spaces; and (2) development of a detailed financial and management plan for the cultural uses. Concurrently, with the community cultural Planning process, the Trustees of the Asian Art Museum have also expressed an interest in YBC and prepared a study that explores consideration attendant upon a proposed move of the Asian Art Museum to YBC. Staff recommends adoption of a Policy Statement on Cultural Uses for YBC, which recognizes expressed desire of the community arts representatives and Trustees of the Asian Art Museum to work on realizing a significant cultural presence in YBC.

Mr. William Fleissig of Morrish and Fleissig, the Agency's cultural consultant, outlined the cultural community planning process and the next steps that would be taken. He also commended the Agency for carrying out a process which was inclusive of all views. Ms. Michaela Casidy, Acting Chairperson of the Cultural Steering Committee, gave a brief view of the "showcasing" concept which is recommended by the plan for implementation in YBC. This concept would anticipate having no resident company but provide facilities which would permit the exhibition of all local talent..

Ms. Nan Park, Chair of Image/Theme Task Force, commented on the contribution to the project that the showcasing concept would provide which included creating a unique focus for YBC. She commended the Agency for its interest in presenting a cultural component for YBC and indicated her endorsement of the "showcasing" concept. Mr. Jeff Friedman, Oberlin Dance Collective, noted his experience with cultural groups and stressed his belief that the Agency had undertaken a process which would permit all of the many talented local artists an opportunity to perform and display their creativity. Mr. Richard Mayer, Artists Equity Association, supported the concept of showcasing but also urged consideration of artists in residence. He noted this had been studied during the planning process. Mr. Alan Shratter expressed his belief that the term "cultural anchor" with reference to the Asian Art Museum was demeaning to the "showcasing" concept and urged that reference to the museum be removed from the policy statement. He expressed the belief that the Steering Committee had no museum concept. In response to Mr. Newman's inquiry, Mr. Shratter indicated that he was expressing his own opinion not that of the Cultural Steering Committee.

Ms. Megnon Garland, Isadora Duncan Heritage Society, indicated her belief that the Steering Committee as a whole had endorsed the inclusion of a museum. She also urged that consideration be given to including Isadora Duncan Heritage Society as a permanent member of YBC outside the "showcase" because San Francisco was the home of this great dancer. Mr. Edward Conner, member of

the Asian Art Museum Trustees spoke on their behalf indicating their strong endorsement of the "showcasing" concept and the consideration of including the Asian Art Museum in YBC. (However, he noted that the Asian Art Museum should be in addition to the 50,000 square feet for the showcasing concept, and not a part of it.) Mr. Elliott Katz, City Arts Magazine, indicated his opposition to the museum concept and he believed there had not been adequate time to review the proposal for the Asian Art Museum being in YBC. Ms. Vicki Holt, Director of Events and Services, at Stanford University, emphasized the need for showcase facilities and endorsed the Policy Statement. She also expressed the belief that the Asian Art Museum opened up a new area that would need more study. (Mr. Joe Madonna, O & Y Equities, spoke on behalf of the developer indicating that they are committed to investigating the economic viability of a major museum such as the Asian Art Museum and that investigation will not be in lieu of or in place of the showcasing concept.) Mr. Newman inquired if the showcase concept had been used in other parts of the country and Mr. Madonna indicated it had, but not to this degree. Mr. Dino Di Donato, Arts Consultant, expressed the belief that the cultural showcasing concept had been widely supported by the community and that any disagreement appeared to focus on the implication that a cultural anchor had to be provided to balance the showcase idea. This was demeaning and the showcasing should be looked at as a separate cultural entity. Mr. Herman Berlandt indicated his endorsement of the showcasing concept.

Mr. Kernan thanked all of those who came to this meeting and commended the many people who had been involved in the process. He noted that it appeared that a minor modification to the Policy Statement would address the concerns expressed and suggested removing the words "...cultural anchor nature, such as ..." on page 2, paragraph 6, line 2 and under recommendation the sentence be deleted which reads "It is the Agency's belief that the cultural component of YBC should be strengthened and complemented by the inclusion of the showcasing model and an additional cultural experience, such as that of a major resident museum."

Mr. Newman indicated that he is in the museum business and that museums are in good financial shape at this time and people should be aware of the tremendous undertaking of the Asian Art Museum, the finest complex in the world. If the finances can be worked out that would only be the beginning and that a long term operating commitment would have to come from the City.

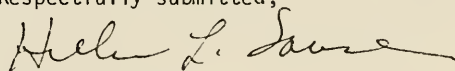
MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT THE AGENCY ENDORSE THE PROPOSED POLICY STATEMENT ON CULTURAL USES AS AMENDED AND THAT STAFF USE THE STATEMENT AS GUIDANCE DURING THE NEGOTIATIONS WITH THE DEVELOPER, O & Y EQUITIES, FOR THE YERBA BUENA CENTER CULTURAL BLOCKS.

President Berk commented on the generosity of the many people who had given their time and expertise to the planning process and extended the appreciation of the Agency to all of these people and those who had attended the workshop.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

NY 100-11565 (Continued)

available for use as office space. The developer's schedule requires submission of evidence of financing in March 1982; completion of the site in April 1982 and one year to complete within 30 days and completion within 7 months after that period.

Mr. John Elberling, of 7050, explained that the developer, at \$11,500, to the community so that the adjacent parcel could be purchased for the community garden. He mentioned referring to persons who like to participate in this type. Ms. Linda Haller, South of Harlem Coalition, indicated that originally the developer had approached the community with a proposal for a health clinic, however, it was determined that this would not be useful to the neighborhood. However, she supported the donation of money to purchase the adjacent parcel as a viable alternative. In reply to Mr. Newman's inquiry, Ms. Haller indicated that once the money was found for the purchase of the parcel, which would be about \$71,500 in cost to make the property usable, then the seniors would keep up the garden. Mr. Elberling added that if 7050 owned the parcel they would operate it paying for the insurance as that type of expense is eligible for funding under the hotel tax fund regulation.

There being no further persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

This paragraph changed
Mr. Kelly Ehlers, National Maritime Union (NMU), expressed his belief that being asked to provide money at this point was black, ill. He indicated he had not heard of the request and noted that they had only offered facilities inside the building.

Ms. Blomquist indicated her concern that this developer was getting the land at \$14 a square foot that could be sold for \$30-50 a square foot and that the sale of the land at that rate would only benefit the developer. She believed other developers are being asked to offer community apartments and she did not want to let this developer go without offering anything to the community. Mr. King noted that the NMU had offered facilities inside the building and stressed that the building was being constructed out of union funds and they should have made this request earlier. Mr. Hamilton indicated that if this request had been specified in the offering or at the time of Exclusive Negotiations, it could have been factored in, but this was not discussed at that time and this is not a requirement of this pension funded development. Ms. Blomquist believed that the minutes of March 10, 1981, when Exclusive Negotiations were granted, reflected the idea that the Union was to work with the community on an alternative to the health center and expressed disappointment that the community would not get anything. Mr. Newman expressed concern at decisions imposed at a time when arrangements had been concluded did not represent good planning. Further, this developer acted in good faith in offering facilities and even though the community believed they were not big enough. Mr. Elberling indicated that the National Maritime Union did know about these requests as a letter to Joan Burns had been sent on March 17 asking for help to raise funds for the gardens and again on July 2 a letter was sent with a copy to staff asking to help purchase this parcel, but no reply had been received. Acting President Lee noted that this developer had been very cooperative and believed the development should proceed as proposed.

ADDITION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. NEWMAN THAT

Continued from previous page

ADDITION: IT WAS MOVED BY MR. BLUMENFELD, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 386-81 BE ADOPTED.

- (1) Reappointing Mr. David L. Hirsch, Project Director of the Yerba Buena Center for the Arts, to continue his work for the Arts and Council on the Arts with the Yerba Buena Center for the Arts, and to continue his work with the National Endowment for the Arts, Yerba Buena Center.

Authorization is requested to pay an additional \$1,435.64 to Hirsch, Earl and Hirsch for services rendered in connection with the National Endowment for the Arts (NEA) grant. Last March, Council on the Arts entered a contract with this firm for 12 months to provide an evaluation of the legal consequences of the Agency's proposed \$17,000 matching grant that had been awarded by the National Endowment for the Arts. The firm submitted an opinion letter at the end of May advising the Agency to accept the grant and in their opinion, there would be no onerous consequences involved in such acceptance, but offered several protective modifications as to the application which the Arts Foundation agreed. The grant is now being processed. Prior to issuing this opinion, the Agency was invited to apply for another NEA grant but staff did not wish to do so unless it was believed the Agency could afford it. Hirsch, Earl & Hirsch provided a separate opinion concerning the advisability of the Agency applying for additional grants. Staff believed this would be incorporated in the original services requested but found that it necessitated a separate legal analysis and resulted in an additional billing of \$1,435.64. Staff has reviewed the justification for these additional expenses and believed they are warranted.

*in part
revised*

In reply to Mr. Blumens' inquiry, Ms. Helen Sause, Project Director for Yerba Buena Center, indicated that it appeared unlikely the NEA grant would be made and the NEA had again encouraged the Agency to apply for another grant. Mr. New indicated that this was a 50 percent overrun on the contract and was not authorized and he believed the staff person responsible should be chided and Mr. Hamilton indicated that had been done.

ADDITION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 386-81 BE ADOPTED.

Ms. Mary Rogers indicated her concern about a new HUD regulation requiring that co-op housing install new windows because of safety factors. This will increase the rents. Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated he would find out about this and advise her.

ADJOURNMENT

It was moved by Mr. Hardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:10 p.m.

Respectfully submitted,

Helen L. Sause
Agency Secretary

APPROVED

October 20, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JULY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of July 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian

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and the following were absent:

Melvin D. Lee, Vice President
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Department of City Planning Commissioners Rosenblatt, Bierman, Salazar, Klein, Kelleher, as well as Mr. Michael, Acting Secretary, and Milton Edelin, Deputy Director of Planning and Barbara Sahm, Environmental Coordinator of the City Planning Department; Roslyn Baltimore, Haneef A. Bakka, Olive Williams, Fillmore Complex Associates; Mary D. James, James Heasptill, Jesse H. Brewster, Jerry White, The Fillmore Store; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Donald Cahen, Jacobs, Sills, and Coblentz; Lois White, Nancy Mae Griffin, Finia Brookin, George Noiey, Chris Hamilton, Dorothy McLean, Roxie Morgan, Mr. and Mrs. H. Simmons, General G. Wiseman, Donald Flynn, and Fred Peterson, II, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of a Regular Meeting of July 7, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of a Closed Session of June 23 and July 14, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The item before the Board of Supervisors at their meeting yesterday regarding the air rights and housing proposed to be constructed above the Performing Arts Center Garage was continued for two weeks.
- (b) A written report would be provided on his trip to Washington, D. C.

NEW BUSINESS

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (b) would be taken before Item (a), due to the Planning Commission not yet having a quorum. There being no objection, it was so ordered.

- (b) Resolution No. 280-81 authorizing a Personal Services Contract with Hideo Sasaki for technical assistance in connection with the Central Blocks, Yerba Buena Center.

Authorization is requested to enter into a consultant contract with Hideo Sasaki in an amount not to exceed \$15,000 to participate on the Urban Design Panel, which will be reviewing Olympia and York submissions during their Exclusive Negotiating period for the Yerba Buena Center (YBC) Central Blocks. Several alternatives were considered for the most effective design review process for the Central Block development, and it was decided to use a panel of consultants to perform that function. On May 26, Mr. Rai Okamoto and Mr. Tom Aidala were approved to serve on this panel. Staff has now invited Mr. Sasaki to join the Design Review Panel and staff believes that the design of the Central Blocks is an area where the Agency must support the developer in providing the "best" for the City.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-81 BE ADOPTED.

- (a) Resolution No. 279-81 finding and certifying that the supplement to the Yerba Buena Center Final Environmental Impact Report is adequate, accurate, and objective.

This joint meeting called in conjunction with the City Planning Commission is for the purpose of requesting you to certify the Supplement to the Yerba Buena Center (YBC) Final Environmental Report (FEIR). The comments on the supplement both oral and written testimony received during the required 45-day review period and comments made at the June 11, 1981 Joint Public Hearing have been provided for consideration. In the certification resolution, the significant environmental effects of the proposed changes in the developments on Central Block 1 and southern Block 4 will be acknowledged as findings, and by this certification action, the Commission is officially acknowledging that the Final Supplement is complete, accurate, and objective in dealing with the environmental impacts of the proposed developments and does not constitute an approval of specific developments that may take place on Central Block 1 and Southern Block 4.

President Berk stated that the purpose of the joint certification meeting of the Redevelopment Agency of the City and County of San Francisco and the San Francisco City Planning Commission is to consider and evaluate the Supplement to the YBC FEIR. This document was prepared for our review by the respective staffs of the Agency and the City's Office of Environmental Review in coordination with their consultants, Environmental Science Associates, Inc.

EW BUSINESS (continued)

For the preparation and certification of this Final Environmental Impact Report Supplement, the City Planning Commission, acting on behalf of the City and County of San Francisco, and the Redevelopment Agency of the City and County of San Francisco have entered into an agreement to be joint lead agencies for purposes of sharing lead agency responsibilities as permitted by the California Environmental Quality Act.

The consideration and evaluation concerned whether the Supplement to the YBC FEIR: (1) is adequate, accurate, and objective, and (2) has been completed in compliance with the California Environmental Quality Act of 1970, as amended (CEQA), the State EIR Guidelines, Chapter 31 of the San Francisco Administrative Code, and the San Francisco Redevelopment Agency Resolution No. 59-77 relating to the preparation of environmental impact reports.

The environmental impact report process is designed to permit the public and the decision-makers to understand and analyze the environmental setting of a proposed development, to examine the various potential environmental impacts, and to review and consider any suggested alternatives and mitigation measures to lessen significant environmental effects.

Since the YBC FEIR was certified in April, 1978, subsequently proposed changes in the developments on Central Block 1 and Southern Block 4 would have new environmental impacts, requiring revisions to the FEIR, and thus have necessitated a supplemental document.

The Commissioners of both bodies were provided for their review and consideration the documents which comprise the Final Supplement. They have also received staff-prepared draft Resolutions covering the findings required under applicable laws and ordinances in order to certify the completion and adequacy of the Supplement.

President Berk emphasized that the purpose of the certification meeting is to ascertain whether the Supplement to the FEIR is an adequate document as required by applicable laws and ordinances; it is not the purpose of this hearing to examine the merits of the entire proposed YBC Project unrelated to environmental considerations. President Berk noted that the rules of parliamentary procedure, as set forth in Robert's Rules of Order, would be issued.

Mr. Thomas Conrad, Chief of Planning for the Redevelopment Agency, introduced the document, described the procedures for its preparation and gave a brief overview of the Final Supplement. He also described the import of the respective draft resolutions and introduced them into the record.

President Berk opened the floor to discussion by both the Redevelopment and Planning Commissioners, which were to focus on the contents and adequacy of the Final Supplement and the draft resolutions, with particular emphasis on the Summary Comments and Responses.

Ms. Blomquist indicated her concern that the number of students at Bridgmont High School may be a limiting factor for the school to remain at that location and inquired how the number of students was determined. Mr. Conrad commented the number analyzed was 300 students with the latest indication from Bridgmont that they are planning on 300 with a possible increase to 350. He noted that staff analysis indicated that the maximum of approximately 400 students could be accommodated with this EIR.

NEW BUSINESS (continued)

Ms. Blomquist inquired if a higher number of students could have been included in the EIR Supplement, and Mr. Conrad answered affirmatively but noted that 300 was proposed by the school. Ms. Blomquist indicated that she believed the school will grow and that 300 was an inadequate number.

Ms. Sue Bierman, City Planning Commissioner, expressed her concern that the EIR did not include housing on Central Block 2 and Mr. Hamilton indicated that the Request for Qualifications (RFQ) allowed housing on that block only if it were compatible with the gardens uses and that concepts were being prepared with and without housing. If housing is contemplated as a use for that block, then another supplement would be done to the EIR. Ms. Bierman inquired as to why an EIR with alternatives is not done before the Olympia and York proposal is decided on, and Mr. Hamilton indicated that the developer was essentially using the same program to prepare different concept alternatives and that there will be no decision on housing until such a use has been evaluated by an EIR Supplement.

Mr. Toby Rosenblatt, President, City Planning Commission, urged that an early review of the proposed program and schedules be done and shared by the respective staffs. He specifically commented that the proposed EIR supplement be scheduled so that there will be no conflict with the negotiation schedule.

In reply to Ms. Bierman's inquiry, Ms. Barbara Sahm, Environmental Coordinator, City Planning, indicated that this EIR was complete and certifiable. President Berk indicated her acknowledgment of Ms. Bierman's concerns, and stated that because of the RFQ it has been a different process. In reply to Ms. Bierman's inquiry, Mr. Hamilton indicated that the Commission of the Redevelopment Agency has the authority to change the RFQ program. President Berk noted that the Commissioners of the Redevelopment Agency have received and reviewed the proposed Final Supplement to the YBC FEIR and the proposed Agency Resolution No. 279-81. In addition there had been the opportunity at public meetings to question and discuss the contents of the Supplement and Resolution with the staff, the consultants, and members of the general public, so as to assist in deliberations on this matter. By adopting Resolution No. 279-81 the Agency will certify that the Agency has reviewed and evaluated the Final Supplement and Resolution No. 279-81, that the Agency fully understands the contents and significance of the two documents, and that the Agency is satisfied that there is substantial evidence to support all of the statements made in Resolution No. 279-81, and, in particular, each of the findings set forth in that Resolution.

Mr. Arnelle indicated that on advice of Counsel that he would abstain from voting on this item because he had not participated in the prior public deliberations and therefore could not vote "Yea" or "Nay."

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, THAT RESOLUTION NO. 279-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mrs. Berk
Ms. Blomquist
Mr. King
Mr. Mardikian

AND THE FOLLOWING VOTED "NAY":

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

Mr. Arnette

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Chairman Rosenblatt proposed that the Planning Commissioners consider adoption of their Resolution No. EE 81.27 which was moved by Mr. Klein, seconded by Ms. Bierman, and unanimously carried.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the joint certification meeting be adjourned. The meeting adjourned at 5:00 p.m.

ADJOURNMENT

It was moved by Mr. Klein, seconded by Ms. Bierman, and unanimously carried that the joint certification meeting be adjourned. The meeting adjourned at 5:00 p.m.

President Berk then recessed the regular meeting for five minutes at 5:00 p.m. and reconvened the meeting at 5:05 p.m. with the same roll call.

- (c) Resolution No. 281-81 authorizing Exclusive Negotiations with Fillmore Complex Associates for Parcel 755-B, northwest corner of Fillmore and Golden Gate, Western Addition A-2.

Authorization is requested to grant Exclusive Negotiating rights to Fillmore Complex Associates for purchase and rehabilitation of 1101-1123 Fillmore Street for 120 days. This four-story wood frame building has 18 one-bedroom and 13 two-bedroom units with ground floor commercial space, and was originally scheduled for demolition. However, through the efforts of Mrs. Mary James, who owns and operates the Fillmore Drug Store on the ground floor, along with encouragement of various community residents, a proposal was developed and presented to staff. The developer plans to make the units available for low-to-moderate-income persons through use of Section 8 moderate rehabilitation funds or other available programs. Staff believes that this proposal would be equally as good even if units are rented at market rate. The drug store and other neighborhood-serving businesses will occupy the commercial space. Staff has reviewed the estimated cost of rehabilitation and anticipated income and believe that rehabilitation is economically feasible. Mrs. James would be the controlling General Partner and although she is not a Certificate Holder, she has a history of providing valuable participation to the neighborhood. Mrs. James has agreed that at least 40 percent of the partnership be owned by Certification Holders, and her development consultant, Roslyn Baltimore, may also be a General partner with a 10 percent interest in the partnership. The Western Addition Project Area Committee (WAPAC) has reviewed and approves of the proposal.

Mrs. Mary James indicated her appreciation of the Commission for this opportunity and acknowledged the presence of her friends and customers who were there to support her. Ms. Blomquist congratulated Mrs. James on taking on the rehabilitation of the building as it was one she had long thought should be saved.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-81 BE ADOPTED.

- (d) Resolution No. 282-81 authorizing a First Amendatory Agreement to the Land Disposition Agreement with Donald Flynn for Parcel 738-B, southwest corner of Van Ness and Willow, Western Addition A-2.

Authorization is requested of a First Amendatory Agreement to the Land Disposition Agreement with Donald Flynn for the parcel located on the southwest corner of Van Ness and Willow in the Western Addition A-2. This amendatory would change the performance schedule as follows: submit evidence of financing from April 15 to July 31 and conveyance of site from April 25 to October 26. Mr. Flynn was issued a Notice of Default on March 3 when his final construction documents were not submitted on March 2 as required. Mr. Flynn claimed he was not in default since there was confusion on whether the preliminary construction documents had been approved. They were in fact conditionally approved on February 9, 1981 and it was expected that Mr. Flynn would proceed with dispatch to complete the final construction documents, due to the tight schedule. However, Mr. Flynn assumed he did not have to proceed until the preliminary construction documents were unconditionally approved. In view of this confusion, it is recommended that you approve the revised performance schedule.

In reply to Mr. Mardikian's inquiry, Mr. Donald Flynn indicated that originally he encountered problems with the office space, not the restaurant, but now since Opera Plaza is being built, the construction of office space has become viable. Final drawings are complete and now awaiting a building permit.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-81 BE ADOPTED.

- (e) Resolution No. 283-81 authorizing a Rental Agreement with New Life Deliverance Center for the use of approximately 26,000 square feet of land in Block 750 bounded by Turk, Eddy, Steiner, and Fillmore, Western Addition A-2.

Authorization is requested to enter into a rental agreement with the New Life Deliverance Center for use of a 26,000 square foot parcel located in the southeast quarter of Parcel 750 in the Fillmore Commercial Center. The rental rate of \$260 is for 15 days, August 16 through August 31, for the purpose of conducting a religious revival meeting. The Center proposes to erect a tent that will accommodate 500 people, which will be supervised during and after services by private guards or church representatives, with the church providing appropriate insurance coverages. The use of this site will not interrupt the development schedule of the designee, Third Baptist Church.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-81 BE ADOPTED.

- (f) Consideration of amending the sublease with the City and County of San Francisco for space occupied by the Mayor's Office of Community Development, 939 Ellis Street.

Approval is requested to amend the sublease with the City for the 1944 square feet of office space located on the second floor of this building, which is now occupied by the Mayor's Office of Community Development (OCD).

NEW BUSINESS (continued)

on January 1, 1980, the Agency entered into this sublease for a period of one year with the option to renew it for an additional year at a slightly increased rate. The City now desires to amend the sublease to allow cancellation upon 30-days notice. Since the Agency has a need for the space, there is no objection to an early termination. The City Real Estate Department will informally give us as much notice as possible.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THIS CONSIDERATION BE APPROVED.

- (g) Resolution No. 284-81 authorizing award to Alexander Grant and Company for the audit of various Bond and Note Agreement Records.

Authorization is requested to award an audit contract to Alexander Grant and Company, a Certified Public Accounting firm, in an amount not to exceed \$7,400. The audit will include the Golden Gate Tax Allocation Bonds, Hunters Point School Lease Revenue Bonds, George R. Moscone Convention Center Lease Revenue Bonds, Mission Plaza Apartments Project Mortgage Revenue Bonds, Four Residential Rehabilitation Loan Program funds, General Fund One, Opera Plaza Residential Mortgage Revenue Bonds, and Wharf Plaza I and II Construction Loan Notes. The terms for each of these funds require an annual audit and the costs are chargeable against the bond funds or fees received upon issuance. Five responses were received and of the 22 firms solicited for this audit the Alexander Grant and Company submitted the lowest proposal. This firm is a national public accounting firm with an office in San Francisco. Staff has reviewed their proposal, affirmative action practices statements, and checked work-related references. All appear to be in order.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-81 BE ADOPTED.

- (h) Resolution No. 285-81 authorizing the Agency Secretary to travel to Tulsa, Oklahoma to attend the National NAHRO Nominating Committee in Tulsa, Oklahoma, July 31 to August 2, in an amount not to exceed \$500.

The NAHRO bylaws require each region to select two of its members to meet and develop a slate of officers and the Pacific Southwest Regional Council's Executive Board selected Mrs. Sause as one of those representatives. This travel will give her an opportunity to evaluate the large mixed-use development in Tulsa built by the Williams Company, which has some applicability to the YBC negotiating process. Mr. Hamilton indicated that NAHRO is increasingly vital to the survival of the Agency's programs and support of the organization is crucial.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-81 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a closed session to consider matters involving potential litigation. The meeting adjourned at 5:27 p.m.

Respectfully submitted,

Helen L. Sause
Helen L. Sause
Secretary

APPROVED

August 18, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JULY 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of July 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call, the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Henry Taylor, Harding-Lawson Associates; Richard Kennedy, Bob Purdie, Kennedy/Jenks Engineers; Richard Dornhelm, Winzler and Kelly Engineers; Mary Helen Rogers, Western Addition Project Area Committee; Lafayette Jamerson, Jamerson Printing; and Melvin Joe, Geo Research Associates.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of June 16, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Four proposals were received in response to the request for proposals for the construction of housing in the air rights over the Yerba Buena Center Parking Garage in Yerba Buena Center (YBC). Those proposals were now being analyzed by staff and a workshop will be scheduled to present those proposals.

In response to President Berk's inquiry, Mr. Hamilton indicated that the workshop on the proposal received for housing on the air rights of the George Moscone Garage in YBC would be held at the next Agency meeting. Ms. Blomquist inquired about the proposed housing in the air rights over the Performing Arts Center Garage. Mr. Kernan, Deputy Executive Director, indicated that this would again be considered by the Board of Supervisors next Monday.

NEW BUSINESS

- (a) Resolution No. 286-81 authorizing negotiations with Kennedy/Jenks Engineers for Personal Services Contract RPSB-E1, Master Infrastructure Plan, Rincon Point-South Beach.
- (b) Resolution No. 287-81 authorizing negotiations with Harding-Lawson Associates for Personal Services Contract RPSB-E2, Soils, Rincon Point-South Beach.
- (c) Resolution No. 288-81 authorizing negotiations with Winzler and Kelly for Personal Services Contract RPSB-E3 "Harbor" Rincon Point-South Beach.

Authorization is requested to negotiate three Personal Services Contracts for the Rincon Point-South Beach (RP-SB). Expressions of interest and statements of qualifications have been solicited for study and preliminary design of public improvements and based on those expressions and statements received, a staff interview panel for each contract selected the firms it considered most qualified and interviewed them.

The first contract is to produce a Master Infrastructure Plan to identify all existing improvements in present or proposed street rights-of-way, sizes and locations of utilities needed, and the preliminary design for consolidating existing rail lines as well as design of the proposed Rincon Point park. Of the three firms interviewed, staff found Kennedy/Jenks Engineers to be the best qualified for this work. They are a San Francisco-based firm and have a strong team with a track record of successful completion of complex projects of this type.

The second contract is for compiling the various soils studies previously made in the waterfront area and additional field explorations into a single report to be used as a basis for design of future site improvements. This contract will also include consultation during the design and construction phases of the contracts. The estimated cost of \$200,000 to \$250,000 includes an allowance for field inspection services which may need to be supplemented later. Of the three firms interviewed, staff selected Harding-Lawson Associates/Geo Resource Consultants as best qualified for this work. Harding-Lawson has a San Francisco office and for this project they have associated with Geo Resource, a local minority firm.

The third contract is recommended to be negotiated with Winzler and Kelly who has assembled a team of consulting firms that staff believes has the expertise needed to prepare the feasibility report for the proposed 400-berth South Beach Small Boat Harbor and park. The services will involve engineering, geotechnical, architectural, landscape, marketing, environmental, and financial consideration. The report produced under this contract will provide the basis for the Agency's selection of development alternatives and for seeking funds for development of the harbor. The cost of these services is estimated from \$120,000 to \$180,000. Winzler and Kelly were selected because they have extensive experience in preparing feasibility studies and related services for similar multi-disciplinary studies and specialize in marine design.

Mr. Frank Cannizzaro, Project Director, Rincon Point-South Beach, introduced representatives of the firms who had been selected for negotiations. Mr. Richard Kennedy, Kennedy/Jenks Engineers; Mr. Hank Taylor, Harding-Lawson and Associates and Mr. Alvin Joe for Geo Research Associates and Mr. Richard Dornhelm, Winzler and Kelly Engineers spoke on behalf of their respective firms.

NEW BUSINESS (continued)

Mrs. Mary Rogers, Western Addition Project Area Committee (WAPAC), inquired about the three firms' Affirmative Action programs and Mr. Cannizzaro indicated that as part of the selection criteria these three firms had to adhere to the Agency's Affirmative Action Program. He also noted that Kennedy/Jenks exceeded those requirements, Harding-Lawson/Geo Resources was 50 percent minority, and Winzler and Kelly Engineers were working on their program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 286-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-81 BE ADOPTED.

- (d) Resolution No. 289-81 authorizing modification of the membership of the Citizens Advisory Committee, Rincon Point-South Beach.

The modification of the membership of the Citizens Advisory Committee (CAC) is requested to add a new member, Eugene P. Coleman, and replace the present Southern Pacific Company representative, Raymond Mesick, with William Dawkins. Because of the interrelationship between the project area and the South of Market area, it has been suggested that Mr. Coleman who works with Canon Kip and is a former member of the Northeastern Waterfront Advisory Committee (NEWAC) be added to the Committee. The Southern Pacific Development Company has requested that Mr. Dawkins who is project manager of the Southern Pacific's Mission Bay Project replace Mr. Mesick on the Committee.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-81 BE ADOPTED.

- (e) Resolution No. 290-81 authorizing a Second Amendatory Agreement to the Agreement for Disposition of Land and Improvements with Elizabeth G. Jamerson for Parcel 785-A(1), 685 McAllister Street, Western Addition A-2.

Approval is requested of a Second Amendatory Agreement to the Land Disposition Agreement (LDA) with Elizabeth G. Jamerson for the property at 685 McAllister Street, to extend the deadline for submission of costs and evidence of financing. The LDA approved on August 5, 1980 was delayed because the developer's architect was located in Pasadena and, unaware of the tough requirements of the San Francisco Building Code, the drawings did not conform to the Code, and as a result the First Amendatory was approved to extend submission of rehabilitation financing and construction costs until June 20, 1981. Although the architect was advised of the Code requirements, he did not immediately comply and continuing problems to meet Code requirements further delayed the developer and she was unable to meet the June 20 date and was placed in default. This problem has now been resolved and Mrs. Jamerson has requested an extension to September 18 to complete the bidding process. After rehabilitation, this property will have 18 units, plus ground floor commercial and financing a project this large can only be pursued actively after firm bids are received. This developer

NEW BUSINESS (continued)

will apply for the Agency's Marks Foran Mortgage Finance Loan Program if and when new funds are available later this year. Staff has reviewed the current status of the construction documents and bidding process and believes that although much of the delay can be attributed to the developer's architect, the developer generally acted in good faith in trying to meet submission dates and the new dates in the Second Amendatory Agreement are realistic and can be achieved.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-81 BE ADOPTED.

- (f) Resolution No. 291-81 commending and expressing appreciation to Rubin Glickman for his service upon the occasion of his departure as a Commissioner of the Redevelopment Agency of the City and County of San Francisco.

President Berk read the resolution commending former member Rubin Glickman as follows:

WHEREAS, Rubin Glickman has served as a Commissioner of the Redevelopment Agency of the City and County of San Francisco from February 4, 1977 to July 20, 1981 and

WHEREAS, Rubin Glickman has brought to this Agency his outstanding abilities and energies and applied them with great dedication and devotion in connection with and to the accomplishment of the Agency's plans and developments, now, therefore, be it

RESOLVED that the Redevelopment Agency of the City and County of San Francisco, on behalf of its Commissioners and employees, in recognition of the service which he has rendered as an Agency Commissioner, does by this resolution express to Rubin Glickman its appreciation of work well done, its thanks for his services, its acknowledgment of his achievements, and its most profound wish for the best of health, happiness, and success in all of his future activities; and, be it

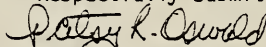
FURTHER RESOLVED that the Secretary of this Agency is directed to have this Resolution presented to Rubin Glickman as a token of the high esteem in which he is held by all.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 291-81 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Patsy R. Oswald
Assistant Secretary

Edited by,



Helen L. Sause
Secretary

APPROVED

August 11, 1981

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8/4/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF AUGUST 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of August, 1981, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Haig Mardikian
Walter S. Newman

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and the following was absent:

Leroy King, (joined the meeting at 4:30 p.m.)

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Honorable Roger Boas, Chief Administrative Officer of the City and County of San Francisco, John Igoe, and Germaine Wong, Office of the Chief Administrator; Mary Rogers, Ben Stewart, Essie Collins, Arnold Townsend and Wade Woods, Western Addition Project Area Committee (WAPAC); Stephen Ahlquist, Ronald E. Strumbeck, and Richard R. Harrington, Bridgemont Foundation; Edward R. Monahan, Bridgemont Consultant; Timothy A. J. McCabe, Bridgemont Alumni Association; Christopher Miles, Beverly Coat Hanger Company; Obie Nash, Fraternal Family, Inc.; and Arthur Silvers, Diane Hautt, Hazel Curtis, Maurine Koltrigin, Rick Harrington, Jr., Dan Harrington, James L. Vogelzang, Brian E. Lee, Judy Brown Hull, R. Tuason, Bruce Kitalijian, and Mrs. J. Nakamoto, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of February 3, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of February 24, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on

REPORT OF THE EXECUTIVE DIRECTOR (continued)

the following matters:

- (a) At the Board of Supervisors meeting of August 3, 1981, the following three items were discussed. The first was the vacation of O'Farrell and Ellis between Fillmore and Webster in the Fillmore Center area of Western Addition A-2, which was referred by the Board to the Streets and Transportation Committee.
- (b) The housing to be constructed in the air rights over the Performing Arts Garage has been continued until August 10, 1981.
- (c) The Board approved the issuance by the Agency of Residential Construction Mortgage Revenue Bonds in an amount not to exceed \$8,500,000, which will be used by Dukes-Dukes Associates in Hunters Point.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3763-A, southeast corner of Third and Harrison Streets, Yerba Buena Center.

Resolution No. 292-81 authorizing a Land Disposition Agreement with Bridgemont Foundation for Parcel 3763-A, approving Disposition Value and ratifying publication of Notice of Public Hearing, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in the matter.

Authorization is requested to enter into an LDA with Bridgemont Foundation for the parcel located at the southeast corner of Third and Harrison in Yerba Buena Center. Exclusive Negotiations were approved in February, 1981 with Bridgemont for the construction of a three-story, 28,000 square foot educational facility. This will constitute Phase I of the development and will permit the school to provide a complete academic program for 300-350 students. A second phase may be constructed which would consist of a gymnasium and other physical education facilities, as well as a subsurface parking area. The disposition price of \$500,000 is conditioned on the restricted use of the property as an educational facility. The LDA language provides that in the event of a foreclosure, the building could be converted to office use without further consent from the Agency on payment of an additional \$508,000. The ability to convert was a requirement of the lenders to provide a usable building in case of foreclosure. Change of use under any other circumstances would require prior Agency approval. Staff believes that this school will provide a significant benefit to the community because the high school will make its facilities available, and it has an active policy of community involvement, as evidenced by the participation of its representatives in the South of Market Coalition. Further, it is a use which provides a stable and

NEW BUSINESS (continued)

concerned constituency. The performance dates required submission of evidence of financing by December, 1982; commencement of construction by February, 1983; and complete construction by August, 1984. Approving this LDA will also approve certain mitigation measures which will avoid or lessen the environmental effects of the project, which were contained in the Final EIR Supplement certified July 21, 1981.

Patty will call

In reply to Mr. Lee's inquiry about the land price, Mr. Kono, Acting Development Director, indicated that the HUD guidelines provide for two 18 month appraisal periods. The first requires execution of a LDA within 18 months from the date of the appraisal and, if during that 18 months period an LDA is executed then there is an additional 18 month period before a reappraisal is required. Mr. Newman inquired if Dr. William Hautt, President, Bridgemont Foundation, was confident that the funds could be raised that the funds could be raised to build this size facility. Mr. Newman expressed his experience in attempting to attract the money it takes to fund a school and Dr. Hautt indicated that the Foundation was considering use of a limited partnership. He indicated it would be misleading to say he was completely confident but that the Foundation had decided after careful evaluation of the resources available to the school and he believed there were sources of funds to successfully complete the school. He also noted he would now devote full time to fund raising.

Mr. Newman inquired that in the event the school was unable to successfully provide evidence of financing by December what would happen and Mr. Hamilton indicated that if they had demonstrated significant progress staff would consider recommending that they be allowed more time. If progress had not been made he would not recommend an extension. Mr. Newman inquired if in a limited partnership where depreciation is taken by the owners, is this possible under the conveyance of title for the restricted use and Mr. Borregard, Agency General Counsel, indicated that if transferred before completion Bridgemont would have to come back to the Agency, but if done after completion they do not have to come back to the Agency for permission unless there is a land use change.

Mr. King arrived at this time, 4:30 p.m.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Mr. Leo Borregard, Agency General Counsel, indicated there were two minor changes to the LDA and read them into the record. Ms. Blomquist commended staff on the wording in the LDA which insured keeping the site as a school and only if there was a foreclosure it could go to office use. All other proposed changes in land use would have to be granted by the Agency.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND

NEW BUSINESS (continued)

UNANIMOUSLY CARRIED THAT RESOLUTION NO.292-81 BE ADOPTED.

- (b) Resolution No. 293-81, authorizing amendment to the Personal Services Contract with Rai Y. Okamoto, Architect and Planner, Yerba Buena Center.

Approval is requested of an amendment to Rai Okamoto's contract for urban design services in the amount of \$775 to compensate for the insurance coverage necessary for him to fulfill the Agency's requirements. This amendment will bring the maximum amount of the contract to \$18,775. It had not been anticipated that this insurance would be required and it was not included in the maximum sum when the contract was negotiated. The Agency does not intend to be punitive in its insurance requirements, but legal counsel is concerned that adequate protection is provided. After several weeks of extensive efforts to secure the additional insurance at a minimal cost to Mr. Okamoto, it is concluded that there is no alternative to securing a policy which will cost an additional \$775 over and above his routinely carried insurance.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 293-81 BE ADOPTED.

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel I-5, southwest corner of Fairfax and Keith, to Beverly Coat Hanger Company, India Basin Industrial Park.

Resolution No. 294-81, authorizing a Land Disposition Agreement with Beverly Coat Hanger Company for Parcel I-5, approving Disposition Value and ratifying publication of Notice of Public Hearing, India Basin Industrial Park.

President Berk opened the public hearing to hear all persons interested in the matter.

Authorization is requested to enter into a Land Disposition Agreement with Beverly Coat Hanger, Co., Inc. for the 25,000 square foot parcel located at the southwest corner of Keith and Fairfax Streets. This firm specializes in selling garment hangers to the hotel/motel, department store, and mass marketing trade, and they propose to construct a 12,500 square foot building with 700 square feet as office space and to use the remainder for distribution, shipping and receiving facilities. This firm currently employs eight persons and they estimate adding one person this year with a total of 12 persons when the new facility is completed. This meets the requirements of the Agency's Employment Density Guidelines for India Basin. The developer is aware of and supports the Agency's Agreement with the Joint Housing Committee to provide employment for neighborhood residents and has already utilized the services of the Manpower Office located at Hunters Point by hiring a resident to replace an employee who has left the firm. Joint Housing Committee

NEW BUSINESS (continued)

voted to recommend this developer and his proposal. The schedule of performance is to submit evidence of financing by April 20, 1982; commencement of construction by June 18, 1982; and completion of construction by February 18, 1983. Your approval of this Land Disposition Agreement is recommended.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

- (d) Resolution No. 295-81, approving a Third Supplemental Resolution amending Resolution No. 193-78 to provide for SB-99 takeout financing for 14 units of market-rate housing by John S. Wouldridge Investments Company, Inc., located on Hudson Avenue and Keith Street, Hunters Point.

Approval is requested of a Third Supplemental Resolution, which will amend the Bond Series Resolution adopted in August 1978 and authorize issuance of SB-99 Bonds for permanent mortgage financing for the 14 unit John H. Wouldridge Investment Company, Inc. Phase I single-family development in Hunters Point. The first two amendments were to extend the Citizens Savings and Loan Association commitment to purchase bonds for other developments in Hunters Point. This amendment will extend that commitment to purchase bonds to June 8, 1982 in an amount not to exceed \$1,610,000, which will provide SB-99 financing for the 14 unit Wouldridge development. The Agency's bond counsel Jones Hall Hill and White prepared the resolution for issuance of these bonds to Citizens. The first two homes of the Wouldridge development are nearing completion and the developer is in the process of obtaining purchasers for these homes, with construction of the remaining 12 homes to commence in September.

In reply to Ms. Blomquist's inquiry, Mr. Westergaard, Business Development Specialist, indicated that the selling costs of the units would be \$130,000 per unit based on the appraisals just received.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-81 BE ADOPTED.

- (e) Resolution No. 296-81, authorizing acceptance of Myron Demolition's proposal for clearance of Parcel 714-A(2), Gordon Plaza, Western Addition A-2.

Authorization is requested to accept Myron Demolition's proposal for clearance of the site located on the corner of Myrtle and Van Ness in the Western Addition A-2, in the amount of \$2,850. This site, known as Gordon Plaza, is to be developed by Donald J. Gordon and will provide for a 29,000 square foot 5-story office building with retail on the ground floor and is scheduled to be conveyed by August 13 with construction to begin thirty days after conveyance. The proposed work is part of the Agency's obligation under the LDA.

NEW BUSINESS (continued)

Timing of the clearance is critical and because the amount of work is less than \$5,000, State law and Federal regulations allow for solicitation of informal bids. Proposals have been received from three contractors who have satisfactorily performed work for the Agency in the past. Myron Demolition submitted the lowest proposal.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-81 BE ADOPTED.

- (f) Resolution No. 297-81, authorizing an additional expenditure of funds in connection with temporary move of Pearl Market, Western Addition A-2.

Approval is requested to expend an additional amount not to exceed \$5,500 for the relocation of Pearl Market in the Western Addition A-2. In October of last year \$11,000 was authorized for moving expenses of the market. The total cost for moving expenses was \$7,743 leaving a balance of \$3,257 of the original \$11,000. The rehabilitated space is now ready for permanent occupancy and bids have been received for a total moving cost of \$8,677. By deducting the amount of \$3,257 remaining from the temporary moving authorization, a total amount of \$5,500 is now requested to complete this relocation.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 297-81 BE ADOPTED.

- (g) Public hearing to hear all persons interested in the matter of the revised disposition price for Parcel 675-F(2), east side of Buchanan between Sutter and Bush, Western Addition A-2.

Resolution No. 298-81, authorizing a Second Amendatory Agreement to the Addendum to the Land Disposition Agreement with the Nihonmachi Community Development Corporation for Parcel 675-F(2), approving the revised disposition price and ratifying the Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter.

Authorization is requested of a Second Amendatory Agreement to the Land Disposition Agreement with the Nihonmachi Community Development Corporation (NCDC) for the parcel located on the east side of Buchanan between Sutter and Bush which has been allocated to Mr. and Mrs. Nakamoto. This agreement incorporates reappraisal of the property and increases the disposition price from \$74,000 to \$206,000 and revises the Performance Schedule. After the addendum to the LDA was authorized in November 1979, the cost of construction and financing rose beyond the resources available to the developer. A First Amendatory Agreement was approved so the interior of the structure could be redesigned to reduce costs, but the developer was unable to meet that revised schedule, again due to the uncertainty

NEW BUSINESS (continued)

of the money market. The developer was then put in default and given a 60-day cure period, but the financing market made it impossible to cure the default and the developer requested additional time to further revise the development and to submit evidence of financing. After the matter was referred to the NCDC, they began a search for a new allocatee. However, the Nakamoto's have been now able to provide evidence of private financing and NCDC recommends Nakamoto's allocation be reinstated. This request has been reviewed and the financing and building permit are now ready to be issued; it is believed that early start of construction is assured. The performance schedule would be revised to require submission of evidence of financing from February 1981 to September 1981; start of construction from April 1981 to November 1981, and completion from April 1982 to November 1982.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-81 BE ADOPTED.

- (h) Public hearing to hear all persons interested in the revised disposition price for Parcel 1100-D(1), east side of Beideman between Ellis and O'Farrell, Western Addition A-2.

Resolution No. 299-81, authorizing a Fourth Amendatory Agreement to the Land Disposition Agreement with Oscar J. Jackson and Jonathan D. Bulkley for Parcel 1100-D(1), approving the revised disposition price and ratifying the Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter.

Approval is requested to execute a Fourth Amendatory Agreement to the LDA with Oscar Jackson and Jonathan Bulkley for development of six market rate, single-family homes proposed for the parcel located on the east side of Beideman between Ellis and O'Farrell Streets. The LDA approved in February 1980 has had three amendments, the last one with the condition the developer agree to the reappraisal of the parcel because the appraisals used to determine the original disposition price of \$67,500 has been established, which the developer has accepted.

There being no persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

In reply to Ms. Blomquist's inquiry, Mr. Richard Kono, Acting Development Director, indicated the certification of cost for the other parcel Dr. Jackson had developed had been submitted, but there was some difficulty with the eligibility of some of the items, which staff was now analyzing, and those figures would be submitted to the Commission in the near future.

NEW BUSINESS (continued)

Ms. Blomquist asked when construction would start on this development, and Mr. Byron Rhett, Business Development Specialist, indicated that the parcel would be conveyed by the end of October and start of construction would commence shortly thereafter.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-81 BE ADOPTED.

- (i) Considering additional Personal Injury Coverage to Project Liability Insurance Policy, all project areas.

Authorization is requested to pay an annual premium of \$4,235 for Personal Injury Coverage to National Union Insurance Company through the Agency's broker, Levinson Brothers, Inc. for Project Liability Insurance. In April of this year the Commission accepted a proposal from Levinson Brothers for this insurance, but personal Injury Coverage was not included in the proposal. This additional premium will provide the coverage of \$1,000,000 of Personal Injury, which is necessary to protect the Agency, its officers and employees from legal obligations that may arise from offenses committed in the conduct of Agency business in the project areas. It is felt that this protection is necessary.

In reply to President Berk's inquiry, Ms. Jane Hale, Deputy Executive Director, Finance and Administration, indicated that this insurance would offer protection from legal obligations arising out of offenses committed in the conduct of Agency business in the project areas, such as false arrest, detention and imprisonment or malicious prosecution, libel, slander, defamation or violation of right of privacy, wrongful entry or eviction or other invasion of right of private occupancy. Mr. Newman noted that since his insurance license was held by Levinson Brothers he would abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. ARNELLE THAT RESOLUTION NO. 319-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Mardikian

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Newman

NEW BUSINESS (continued)

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (j) Resolution No. 300-81, approving an amendment to the contract with the Board of Administration of the Public Employees Retirement System and the Redevelopment Agency.

Approval is requested to amend the Agency's contract with the Public Employees' Retirement System (PERS). This action would be the first step in a process to increase the retirement benefit cost of living adjustment from two to four percent and to provide a one-time adjustment of from one to 22 percent increase in the retirement allowance for employees or their survivors if either retirement or death occurred prior to June 30, 1974.

James Nybakken, Personnel Officer, indicated that the Agency has provided a retirement plan through PERS funded by both employee and employer since April 1, 1961. During the first two years after retirement no increase is possible in benefits, but thereafter, if the Consumer Price Index increases at least two percent in the year Agency retirees are allowed a maximum of two percent adjustment in their retirement allowance. Since 1974, the rate of inflation has been considerably higher than two percent significantly eroding the purchasing power. State law permits amendment of PERS contracts to allow either three, four or five percent cost of living adjustments as alternatives to the two percent adjustment. Adoption of any of the alternatives will provide an immediate three percent savings in the Agency's contribution rate. Also an additional 0.3% will be reduced from the employer contribution rate because of the base year for computing the cost of living adjustment would be raised from 1965 to 1974 or later. Because of the minimal extra cost it is recommended that the Agency adopt the sections covering the one-time increase for those who retired prior to June 1974 and the small additional cost from the current pooled rate, the adoption of the four percent cost of living adjustment. This would result in a vastly improved benefit, double the current cost of living adjustment at an additional cost of 0.7 percent of covered payroll, or approximately \$35,000 per year at no cost to the employee, and will provide much relief to those retirees, survivors and staff members facing retirement with today's devastating inflation rates. By State law the adoption of this Resolution of Intention must be followed by a second action in no less than three weeks time and final action will be scheduled for the meeting of August 25, 1981. The proposed change is to provide Section 21230 (4% cost-of-living increase); Section 21222.85 (one-time 3%-15% increase to pre January 1, 1974 retirees); Section 21222.86 (one-time 1%-7% increase to pre-January 1, 1974 retirees); all for local miscellaneous members.

In reply to Ms. Blomquist's inquiry, Mr. Nybakken indicated that the cost per year would be seven tenths of one percent per year of \$35,000 for the entire staff; it also depools the Agency and reduces the contribution rate by .03 percent. The City receives a 2 percent cost of living increase per year, but their retirement system is

NEW BUSINESS (continued)

different from ours and they make a larger contribution to their retirement system than the Agency does, plus they use a one year final service that tends to raise the benefit to the retiree, as the Agency bases its system on three years of final service.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-81 BE ADOPTED.

- (k) Resolution No. 301-81, authorizing an amendment to the Memorandum of Agreement with Civil Service Association Local 400 to make title changes and add a classification to the bargaining unit.
- (l) Resolution No. 302-81, authorizing amendment to the Memorandum of Agreement with International Federation of Professional and Technical Engineers, Local 21, to add a classification to the bargaining unit.

Approval is requested to add the classification of Personnel Assistant to the Local 400 bargaining unit, plus the title change from Key punch Operator and Senior Key punch Operator to Data Entry Operator and Senior Data Entry Operator, respectively. It is also requested that the classification of Building Construction Supervisor be added to the Local 21 bargaining unit. The Memorandum of Agreement with Local 400 includes a provision whereby the Agency agrees to meet and confer regarding new classifications and the possible inclusion in the bargaining unit. It has been mutually agreed to add one of Personnel Assistant. Also Local 21 has a similar provision for addition of new classifications to its bargaining unit, and staff and Local 21 have mutually agreed to add the new classification of Building Construction Supervisor.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-81 BE ADOPTED.

President Berk indicated that the meeting would be recessed to a Closed Session to discuss a personnel matter. The meeting recessed at 5:10 p.m. and reconvened at 5:30 p.m. with the same roll call.

MATTERS NOT APPEARING ON AGENDA

- (a) Comments by Rogers Boas, Chief Administrative Office, concerning Yerba Buena Center.

Mr. Boas indicated that he was present to comment on the status of the Yerba Buena Center garage and to share his reactions of his recent visit to view examples of the Olympia and York's team work.

With regard to development of the garage in YBC, Mr. Boas indicated his concern that parking be available for the opening of the

MATTERS NOT APPEARING ON AGENDA (continued)

George R. Moscone Convention Center. He noted that the Agency had determined that the garage design was unacceptable, and this was concurred in by his advisors. However, he was critical of anything which would delay the construction of the garage. He was particularly opposed to the proposal to build housing in the air rights over the garage. Mr. Boas expressed concern that attempting to develop housing in conjunction with the garage would delay the garage and stressed his belief that housing would be an acceptable use on YBC Central Block 2. Mr. Boas noted that discussions with other City officials indicated that they agreed with him.

Mr. Boas noted that the Agency staff had proposed providing, as an interim use, parking on Central Block 2 directly across from the Convention Center. He believed that this area could be paved and fenced for the Convention Center's use and it would serve until the garage could be built. However he again urged that the garage be approved and built without delay because the parking on Central Block 2 would only temporarily provide for the Convention Center use.

With regard to Mr. Boas' visit to Toronto, Baltimore and Boston, he noted that the trip had been arranged by Mr. Ron Soskolne of Olympia and York. He was favorably impressed by the Rouse Company's work and that Eddie Schlossberg's "games" were also impressive. During his visit to Toronto he had met with Mr. Albert Reichman, who had emphasized his interest in building office buildings, hotels and condominiums, but who appeared less enthusiastic about the development of commercial uses. Mr. Boas was pleased with Mr. Reichman's directness and also noted that Mr. Reichman had been delighted with O & Y's relationship with the Agency. However, Mr. Reichman had been concerned that he did not yet have an understanding of the value of the development opportunity. In response to Mr. Boas' inquiry, Mr. Reichman had told him he wanted to build one million square feet of office space, 1,500 to 2,000 hotel rooms, and 750 condominiums. Mr. Boas felt that the building density, land value, and location of the uses should immediately be made known to Mr. Reichman. Mr. Boas reiterated that Mr. Reichman was not experienced or interested in the commercial development. However, Mr. Boas believed that the Rouse Company were extraordinarily talented in this field. He complimented the Agency on securing the Rouse participation in the team. Mr. Boas also felt that the retail displayed at Eaton Centre lacked the excellent qualities of the Rouse retail and stressed his belief that the Rouse Company brought the quality and experience he felt should be incorporated in the YBC development. Mr. Boas also expressed concern about the quality of the IMAX and Cineplex and urged the Agency to carefully consider the proposal for similar cinema uses in YBC. He also commented on the cultural programs at Harbourfront and expressed his views about the quality of the development noting that it was not what he hoped would be built in YBC. He concluded his comments by indicating that he had been favorably impressed, particularly by Mr. Reichman and the Rouse Company. He noted that

MATTERS NOT APPEARING ON AGENDA (continued)

these matters were of particular concern to him, because of his responsibility for the Convention Center, and his need to have the area surrounding the Center safe, attractive and active.

President Berk expressed the Commission's appreciation for Mr. Boas' remarks. She also indicated that the Commission was pleased that Mr. Boas agreed with the qualities that were the basis for selection of the O & Y team. She asked Mr. Hamilton if he wished to comment.

Mr. Hamilton noted that the Agency was working on an ongoing basis to resolve the issues about which Mr. Reichman expressed concern. The Agency had decided to proceed on the basis of selecting a development team based on their qualifications rather than selecting a proposal with a predetermined design. As a result the necessary design work had to be done, the program developed and when the overall design concept was acceptable then the negotiations on the business terms would address the land value and density issues. He noted that the Commission could only consider the economic issues after all the ramifications are known because the benefit to be derived from the development is at issue. With regard to housing on Central Block 2, this would be considered by the Commission at the appropriate time. He recalled that by Agency policy the primary focus of Central Block 2 was to develop an urban gardens atmosphere which was not necessarily compatible with the housing use which may require a quieter location.

With regard to the garage, Mr. Hamilton believed that the proposal to build housing on the garage would not provide a significant delay. He noted that presently the Parking Authority had neither an acceptable design nor the ability to sell bonds to build the garage. He also stressed that the Agency would make interim parking available which would serve the Convention Center until the garage was complete.

President Berk indicated that the meeting would be recessed for 15 minutes. The meeting recessed at 6:10 p.m. The meeting reconvened at 6:25 p.m., with the same roll call.

- (m) Workshop on the four proposals received for the construction of housing the air rights over the Yerba Buena Center Garage, Yerba Buena Center.

At the meeting of June 9, the Parking Authority's Exclusive Negotiations were extended for 60 days, so the feasibility and marketability for housing in the air rights over the proposed parking garage on Third Street could be determined. This workshop provides a review of the four proposals received to construct that housing. David Stoloff, Business Development Specialist and Walter Yanagita, Senior Architect, presented the four proposals.

At this time, Commissioners Newman, Blomquist, Lee and King departed at 7:20 p.m. and the quorum was lost.

MATTERS NOT APPEARING ON AGENDA (continued)

The meeting resumed at 7:25 p.m. with Commissioners Berk, Arnette and Mardikian present.

- (n) Workshop on the Fillmore Center Urban Design Plan entitled "Urban Design Guidelines: Plan II", Western Addition A-2.

In December, 1980 the Commission authorized a contract with Arthur Silvers, Architect and Planner, to prepare an urban design plan for Fillmore Center. Since then, Mr. Silvers has been working closely with Agency staff, private developers and architects currently involved with parcels in the Fillmore Center. The purpose of this workshop is to review this plan.

Mr. Silvers indicated his design objective to create a flexible plan for the Fillmore Commercial area and outlined the primary elements of that plan.

The Fillmore Street Merchants submitted a letter expressing concerns about the plan.

The Commissioners departed at 8:20 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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#4
8/4/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 4TH DAY OF AUGUST 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 5:10 p.m. on the 4th day of August 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; and Helen L. Sause, Secretary.

NEW BUSINESS

- (a) Consideration of responses to the advertisement for the position of Director of Development.

Mr. Hamilton recalled that the Agency had sought applicants for this position, and as a result had received numerous applications. Two of these applicants had been judged to be qualified for interviews by the Commission, and these were Messrs. Robert Sangster and Frederick Morganthaler, III. He believed that the interviews indicated that Mr. Morganthaler had had significant experience with downtown development; however, this had not been at a large-scale, or in a role in keeping with the Agency's program. Mr. Sangster had had an extensive development background, particularly with housing programs both at the Federal level and State level and had also been a developer. In addition he is an attorney. It was Mr. Hamilton's belief that Mr. Sangster had the skills necessary to develop the new techniques to effectively carry out the Agency's housing programs. Mr. Hamilton recommended that the Commission offer Mr. Sangster the position of Director of Development.

In response to Mr. Newman's inquiry, Mr. Hamilton expressed his belief that the Director of Development should have extensive experience in housing development because housing would be the primary focus for the Agency's program sometime and it would be necessary to provide funding mechanisms for the city's housing needs.

NEW BUSINESS (continued)

This applicant appeared to bring those skills. He noted that Mr. Richard Kono was presently serving as Acting Director for the department and had good administrative skills, but the Agency needed a person with development expertise. Mr. Hamilton noted that he would also like to have authorization to offer Mr. Sangster the top step of the salary range if such an offer were necessary to employ him.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO OFFER MR. ROBERT SANGSTER THE POSITION OF DIRECTOR OF DEVELOPMENT.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

APPROVED: _____

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8/11/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF AUGUST 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 1:00 o'clock p.m. on the 11th day of August 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnelle
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

Melvin D. Lee, Vice President

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were M. Wong, T/W Associates, Megnon Garland, Isadora Duncan Heritage Foundation; Richard Mayer, Artists Equity Association; Alan Shratter, San Francisco Dance Theater; Jeff Friedman, Oberlin Dance Collective; Carolyn Exas, California Arts Council; Ben Steward, Western Addition Project Area Committee (WAPAC); Hans Schiller, Edward Conner, Asian Art Museum; Gloria Ann Aguilar, International Entertainment Production; Michaela Casidy, Steering Committee; Nan Park, Image/Theme Task Force; Elliott Katz, City Arts Magazine; Joe Madonna, O & Y Equities; W. F. Fleissig, Morrish and Fleissig; Micki Holt, Dino Di Donato, and Herman Berlandt, interested citizens.

Representing the press was Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of July 28, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Executive Director Wilbur W. Hamilton is on vacation and will return to the office on August 18, 1981.
- (b) The Divisadero Heights to be built by the team of Sapunar and Duering at Divisadero and Eddy Streets closed on August 6, 1981. Construction of the 33 units of housing is expected to begin soon.

- (c) The Mariners Village financing is expected to close this Thursday and occupancy is expected to start on Saturday, August 15, 1981.*
- (d) At the Board of Supervisors' meeting Monday, the proposed legislation concerning the housing development to be constructed above the Performing Arts Center Garage was continued for one week.
- (e) The Board of Supervisors approved the supplemental appropriation for change orders for Mariners Village in the amount of \$200,000.
- (f) The Agency received bids for the Project Loan Notes today. The Western Addition A-2 notes were in the amount of \$10,985,000 and the Yerba Buena Center notes were in the amount of \$17,030,000. The bids ranged from 8.6 percent to 9.89 percent which is a significant increase in the previous rate of 5.4 percent. This will have budget implications which are being analyzed.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Lot 15, Site S-4, located off Whitney Young Circle, Hunters Point.

Resolution No. 303-81 authorizing a Land Disposition Agreement (LDA) with Adrian L. and Olga F. Nolfi for Lot 15, Site S-4, approving Disposition Value and ratifying publication of Notice of Public Hearing, Hunters Point.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Lot 15, Site S-4, Hunters Point. She requested Acting Executive Director Redmond F. Kernan to comment on the item.

Mr. Kernan indicated that authorization is requested to enter into an LDA with Adrian and Olga Nolfi for the parcel located off Whitney Young Circle on Hunters Point Hill in the Hunters Point Redevelopment Project. Exclusive negotiations were granted on May 19, 1981 and the Nolfi's plan to build a 1,675 square foot single family home for resale. He recalled that this is one of the 16 lots within the Site S-4 area which had been offered exclusively to certificate holders from Hunters Point and India Basin and to residents and developers of the Bayview area. Mr. Nolfi is a small housing developer whose business is located on Third Street. The Performance Schedule in the LDA provides for submission of evidence of financing in April, 1982 commencement of construction July, 1982; and completion of construction in April, 1983.

There being no person wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-81 BE ADOPTED.

- (b) Resolution No. 304-81, authorizing a month-to-month lease agreement with the Port of San Francisco for additional site office facilities, Rincon Point-South Beach.

Approval is requested to lease 827 square feet of additional office space from

the Port of San Francisco for the Rincon Point-South Beach in an amount not to exceed \$759. The rent on the present 631 square feet site office in the Ferry Building is \$488 per month which includes utilities and janitorial services. When this space was rented, it was the only space available. At that time it was initially adequate for the four project staff members; however, the project is now in the implementation stage and more space is needed for the frequent meetings with property owners, consultants, prospective developers, Citizens Advisory Committee, and others. In addition a project engineer and development specialist have been assigned to the project, and the need for additional space is even more acute. Office space in this area is scarce and expensive and there is a prospect of moving the site office back to central office at the end of the year if the space is available. The Port now has additional space available adjacent to the existing office which is available for .92 per square foot, including utilities and janitorial services. The lease would also be cancellable within 30 days.

In reply to Mr. Newman's inquiry, Mr. Kernan indicated that the Office of Community Development (OCD) which leases space from the Agency on the second floor at 939 Ellis may move contingent upon three other city departments moving.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-81 BE ADOPTED.

At this time Mr. Arnelle indicated that because he is President of the African American Historical and Cultural Society, he would excuse himself from the meeting prior to consideration of Agenda item 9(c). He left the room at this time.

- (c) Resolution No. 305-81 authorizing an expenditure of funds in connection with the temporary relocation of the African American Historical and Cultural Society, Western Addition A-2.

Authorization is requested to expend \$12,330 for the temporary move of the African American Historical and Cultural Society in order to make the site available for new development. This parcel is to be cleared and developed with 36 condominiums and 10,400 square feet of office space by McAllister Properties, Limited. The Society has been located at 680 McAllister Street since 1973 and before that it was at 1447-49 Fillmore Street and the Society plans to permanently locate in the Western Addition. Although it is not urgent for the Society to move, they have an attractive interim relocation offer for space at Fort Mason at the extremely economic rate of \$.28 per square foot. Regulations permit the Agency to pay for a rent differential for the temporary relocation of a tenant displaced for new development up to one year. In this case it is proposed to pay the total rent of \$10,080 since the Society is a rent-free tenant. It is also recommended that the Agency pay architectural fees in the amount of \$2,250 for modifications to the space at Fort Mason. Other items the Agency can pay for are building modifications, actual moving expenses and miscellaneous costs such as installation of telephones, stationery, and outdoor signs. At this time, authorization is requested to pay for only the expenditures covering rent and architectural assistance. The other items are either bid items, and approval will be requested once firm bids are received of miscellaneous costs, and approval will be requested when these costs are firm.

Mr. Mardikian inquired as to the Agency's legal obligation to pay for such temporary relocations for rent-free tenants. Mr. Earl Mills, Deputy Executive Director for Community Services indicated that the regulations permit the Agency to make such payments but it is not legally obligated to cover the cost of a temporary move. The Agency is legally obligated to assist in permanent relocation as they were a tenant of record of a building acquired by the Agency. Mr. Mardikian noted that he personally felt the Society was a worthwhile entity and would support the proposal but he wanted to determine the total costs that the Agency would be obligated to pay. Mr. Mills indicated that definitive costs were available on all but the moving expenses and it would take about six weeks to obtain these bids. Mr. Mardikian expressed the belief that the Commission be knowledgeable of the total amount of the obligation and suggested that a total amount not to be exceeded be established rather than taking an action which did not have a maximum cost established.

Mr. Mills indicated that the building modifications costs were controllable but that the moving costs were too difficult to estimate and these would be available in six weeks; however, action could not be delayed because Fort Mason would not hold the space that long. Mr. Mardikian inquired if the cost of the building modifications was a firm figure, and Mr. Mills indicated that a staff architect had developed the figures. Mr. Mardikian then inquired if the Society had the ability or the intention of paying for any of the expenses. Mr. Mills indicated that the Society would pay for such things as the lighting, kitchen fixtures, and bookcases. Mr. Mardikian expressed his belief that the Society was an exemplary organization and named some of its prominent supporters indicating that because the Society had resources and the Agency's budget reductions he felt uncomfortable about expending public funds without definitive costs. He urged Commission to hold the item over one week. Mr. Newman inquired that if the Society were going to move back to Western Addition A-2 whether it was possible a permanent location could now be found in Western Addition A-2. Mr. Mills indicated that staff and the Society had explored possible locations without success. Mr. Mills also indicated that Fort Mason may work out to be satisfactory for a permanent location rather than a temporary move because it was a desirable and economic space. The Society had considered finding a site to develop; however, a significant funding drive would be required to accomplish that. Mr. Newman inquired how long the Agency would pay the Society's rent and Mr. Mills indicated for one year, but that they could apply for extensions, but then had been advised that staff would be reluctant to recommend an extension to the Commission.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED TO ADOPT RESOLUTION NO. 305-81 TO AUTHORIZE AN EXPENDITURE OF FUNDS NOT TO EXCEED \$38,000 IN CONNECTION WITH THE TEMPORARY RELOCATION OF THE AFRICAN AMERICAN HISTORICAL AND CULTURAL SOCIETY.

Mr. Newman urged that the Society be encouraged to use its own resources after one year.

Mr. Arnelle rejoined the meeting at this time.

- (d) Resolution No. 306-81 approving an extension of Exclusive Negotiations with the Parking Authority of the City and County of San Francisco for Parcel 3735-D, Yerba Buena Center.

Approval is requested to extend Exclusive Negotiations with the Parking Authority

to September 16, 1981 for Parcel 3735-D, northeast corner of Third and Clementina Streets in the Yerba Buena Center. This parcel is to be developed for a public parking garage for the Moscone Convention Center. The exclusive negotiations were first approved in December, 1982 and subsequent extensions have been granted and today it is recommended that an additional extension be approved for the express purpose of providing time to determine the feasibility of using the air space above the garage for housing development. Four proposals were received and a workshop was held last week to review those proposals. These involve a number of issues which must be resolved before staff can make a recommendation on the proposals. The factors to be considered include the ability of developers to conform to a development schedule acceptable to the Parking Authority, their willingness to accept financial responsibility for the redesign of a combined garage and housing structure and the availability of mechanisms to finance the combined facility. It is anticipated that these issues can be resolved within 30 days and a recommendation for a further extension will then be made for a realistic negotiating period.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 306-81 BE ADOPTED.

- (e) Consideration of authorizing rejection of all proposals received for messenger service, all proposals.

Authorization is requested to reject all proposals, informally solicited for regular messenger services for this Agency. In June when the Agency requested entering into a contract for messenger services, the Commission requested additional information which was provided on June 17, 1981. The legal staff has now advised that since this contract is for more than \$10,000 the Agency is required to advertise for bids and award to the lowest responsible bidder. Therefore, it is recommended that all proposals be rejected and the contract advertised.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THIS CONSIDERATION BE ADOPTED.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner a matter not appearing on the Agenda would be considered before Agency Item (f). There being no objection it was so ordered.

MATTERS NOT APPEARING ON THE AGENDA

Consideration of a conditional Certification of Completion to T/W Associates for the Mercantile Building located at the northeast corner of Third and Mission, Yerba Buena Center.

Discussions have been ongoing concerning issuance of a conditional Certification of Completion by the Agency to enable T/W Associates to obtain permanent financing on the Mercantile Building.

Mr. Leo Borregard, Agency General Counsel, indicated that it was anticipated that the Agency would be requested to approve a waiver of reversion; however, it had been determined this was not necessary and that since staff normally issues a regular Certificate of Completion without bringing it before the Commission, and further that this conditional Certification of Completion was secured by funds of the developer, there was no need for Commission action.

EW BUSINESS (continued)

(f) Workshop to consider cultural uses in the Central Blocks of Yerba Buena Center

This workshop on the cultural component for the Central Blocks of Yerba Buena Center (YBC) is to hear comments on the proposed cultural program. The sixth large meeting of the arts community was held on June 22, 1981 to consider the preliminary YBC Cultural Plan Design Scenario prepared by Agency consultants, Morrish and Fleissig. This plan was a consolidation of the arts community's cultural planning efforts over the past eight months. Staff recommends adopting the "showcasing" concept as satisfying the obligation in the Request for Qualifications (RFQ) that cultural uses be planned for a minimum of 50,000 square feet of land in YBC's Central Blocks. During the next weeks, staff anticipates exploring the most appropriate ways to implement the "next steps" outlined in the Cultural Plan Design Scenario of which the arts community has identified two items they believe have the highest priority: (1) execution of a feasibility study for the proposed performing spaces; and (2) development of a detailed financial and management plan for the cultural uses. Concurrently, with the community cultural Planning process, the Trustees of the Asian Art Museum have also expressed an interest in YBC and prepared a study that explores consideration attendant upon a proposed move of the Asian Art Museum to YBC. Staff recommends adoption of a Policy Statement on Cultural Uses for YBC, which recognizes expressed desire of the community arts representatives and Trustees of the Asian Art Museum to work on realizing a significant cultural presence in YBC.

Mr. William Fleissig of Morrish and Fleissig, the Agency's cultural consultant, outlined the cultural community planning process and the next steps that would be taken. He also commended the Agency for carrying out a process which was inclusive of all views. Ms. Michaela Casidy, Acting Chairperson of the Cultural Steering Committee, gave a brief view of the "showcasing" concept which is recommended by the plan for implementation in YBC. This concept would anticipate having no resident company but provide facilities which would permit the exhibition of all local talent.

Ms. Nan Park, Chair of Image/Theme Task Force, commented on the contribution to the project that the showcasing concept would provide which included creating a unique focus for YBC. She commended the Agency for its interest in presenting a cultural component for YBC and indicated her endorsement of the "showcasing" concept. Mr. Jeff Friedman, Oberlin Dance Collective, noted his experience with cultural groups and stressed his belief that the Agency had undertaken a process which would permit all of the many talented local artists an opportunity to perform and display their creativity. Mr. Richard Mayer, Artists Equity Association, supported the concept of showcasing but also urged consideration of artists in residence. He noted this had been studied during the planning process. Mr. Alan Shratter expressed his belief that the term "cultural anchor" with reference to the Asian Art Museum was demeaning to the "showcasing" concept and urged that reference to the museum be removed from the policy statement. He expressed the belief that the Steering Committee had no museum concept. In response to Mr. Newman's inquiry, Mr. Shratter indicated that he was expressing his own opinion not that of the Cultural Steering Committee.

Ms. Megnon Garland, Isadora Duncan Heritage Society, indicated her belief that the Steering Committee as a whole had endorsed the inclusion of a museum. She also urged that consideration be given to including Isadora Duncan Heritage Society as a permanent member of YBC outside the "showcase" because San Francisco was the home of this great dancer. Mr. Edward Conner, member of

the Asian Art Museum Trustees spoke on their behalf indicating their strong endorsement of the "showcasing" concept and the consideration of including the Asian Art Museum in YBC. Mr. Elliott Katz, City Arts Magazine, indicated his opposition to the museum concept in YBC because it would not be in keeping with the showcasing concept and he believed there had not been adequate time to review the proposal for the Asian Art Museum being in YBC. Ms. Vicki Holt, Director of Events and Services, at Stanford University, emphasized the need for showcase facilities and endorsed the Policy Statement. She also expressed the belief that the Asian Art Museum opened up a new area that would need more study. Mr. Joe Madonna, O & Y Equities, spoke on behalf of the developer indicating that a large museum would not take the place of the showcasing concept and expressed their commitment to the plan. He noted that the museum was an interesting additional component which if asked by the Agency they would evaluate. Mr. Newman inquired if the showcase concept had been used in other parts of the country and Mr. Madonna indicated it had, but not to this degree. Mr. Dino Di Donato, Arts Consultant, expressed the belief that the cultural showcasing concept had been widely supported by the community and that any disagreement appeared to focus on the implication that a cultural anchor had to be provided to balance the showcase idea. This was demeaning and the showcasing should be looked at as a separate cultural entity. Mr. Herman Berlandt indicated his endorsement of the showcasing concept.

Mr. Kernan thanked all of those who came to this meeting and commended the many people who had been involved in the process. He noted that it appeared that a minor modification to the Policy Statement would address the concerns expressed and suggested removing the words "...cultural anchor nature, such as..." on page 2, paragraph 6, line 2 and under recommendation the sentence be deleted which reads "It is the Agency's belief that the cultural component of YBC should be strengthened and complemented by the inclusion of the showcasing model and an additional cultural experience, such as that of a major resident museum."

Mr. Newman indicated that he is in the museum business and that museums are *not* in good financial shape at this time and people should be aware of the tremendous undertaking of the Asian Art Museum, the finest complex in the world. If the finances can be worked out that would only be the beginning and that a long term operating commitment would have to come from the City.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT THE AGENCY ENDORSE THE PROPOSED POLICY STATEMENT ON CULTURAL USES AS AMENDED AND THAT STAFF USE THE STATEMENT AS GUIDANCE DURING THE NEGOTIATIONS WITH THE DEVELOPER, O & Y EQUITIES, FOR THE YERBA BUENA CENTER CULTURAL BLOCKS.

President Berk commented on the generosity of the many people who had given their time and expertise to the planning process and extended the appreciation of the Agency to all of these people and those who had attended the workshop.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF AUGUST 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of August 1981, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Acting President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

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and the following was absent:

Charlotte Berk, President

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Eleanor Durgen, Gray Panthers; Dr. G. Cainajani, Margaret Chase Cainajani, Sunhouse Associates; Noni Richer, Biedeman Area Neighborhood Group; Wade Woods, Western Addition Project Area Committee (WAPAC); Robert Tandler, attorney, Dobbs & Nielsen; and Grant Sedgwick, Campeau Corporation of California.

Representing the press was E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of July 21, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

The Board of Supervisors approved the legislation necessary to build the housing in the air rights above the Performing Arts Center Garage in the Western Addition A-2 and this matter will now be considered by the Parking Authority.

NEW BUSINESS

- (a) Resolution No. 307-81, authorizing financial settlement of the Neighborhood Development Program and to execute a closeout agreement, Hunters Point and Stockton/Sacramento.

Approval is requested for authorization to execute a closeout agreement between the Agency and the City for the Hunters Point-Stockton/Sacramento Neighborhood Development Program. Sufficient funds are now available to pay off the Agency's indebtedness under the Loan and Grant Contract and it would be

NEW BUSINESS (continued)

advantageous to complete the closeout prior to the due date of the project's temporary loan notes on September 9, 1981. This is essentially the same agreement as the one recently approved for the India Basin closeout. It commits all land sales proceeds to be used first to complete activities in the project area and then for repayment of loans on other Federally-assisted urban renewal projects. Financial settlement of this program is economically advantageous to the Agency and will release approximately \$881,000 of Federal grant funds for partial payment of the \$1,540,000 temporary loan debt. This will relieve the Agency of interest costs exceeding \$100,000 a year. In reply to Ms. Blomquist's inquiry, Mr. Hamilton indicated there were 42.7 acres remaining to be developed in the Hunters Point project.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-81 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Lot 5, Site S-4, located off Whitney Young Circle, Hunters Point.

Resolution No. 308-81 authorizing a Land Disposition Agreement with SOCA Development Company for Lot 5, Site S-4, approving Disposition Value and ratifying publication of Notice of Public Hearing; Hunters Point.

Acting President Lee opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Lot 5, Site S-4, Hunters Point.

Authorization is requested to enter into a Land Disposition Agreement with SOCA Development Company for Lot 5, within Site S-4 which is located off Whitney Young Circle. This lot is one of the 16 lots within the Site S-4 area previously offered exclusively to certificate holders from Hunters Point and India Basin and to residents and developers of the Bayview area. Exclusive Negotiations were granted on April 14 and SOCA plans to build a 1,671-square foot single-family home for resale at an anticipated price of \$135,000. The SOCA Development Co. is a small housing development company located on Third Street in the Bayview. The Performance Schedule provides for submission of evidence of financing in April, 1982; commencement of construction in July, 1982; and completion in April, 1983.

There being no persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

In reply to Mr. Arnette's inquiry, Mr. Philip Westergaard, Business Development Specialist, indicated that the SOCA principals had been unable to attend the meeting. He noted that Nathaniel Burton is the principal of SOCA Development.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-81 BE ADOPTED.

- (c) Resolution No. 309-81 authorizing execution of a First Amendatory Agreement with Vanguard Developers for Parcel 743-D, Western Addition A-2.

Approval is requested to extend the Performance Schedule in the Land Disposition Agreement with Vanguard Developers for the parcel at the northwest corner of Turk and Van Ness Streets. These developers propose to build a 175,000-square-foot office complex with six stories on the Van Ness Avenue frontage and an eleven-story tower at the rear of the site. The primary

NEW BUSINESS (continued)

tenant is to be the General Services Administration (GSA) who would be leasing the space for the HUD offices. The Land Disposition Agreement (LDA) was approved on April 7, 1981, with the first submission date requiring an executed lease with GSA or an alternative financing plan. Vanguard has not yet obtained the GSA lease and therefore has submitted an alternative financing plan in the form of a proposed joint venture with Donsdale Holdings, Ltd., a Canadian development corporation. The negotiations on the joint venture have taken longer than anticipated and Vanguard has requested a 90-day extension in order to complete the joint venture. The extension would revise the Performance Schedule to submission of evidence of financing from May 11, 1982 to August 11, 1982 and conveyance of the site from June 15, 1982 to September 15, 1982. There is an additional element which has changed concerning the termination clause in the LDA and Mr. Byron Rhett, Business Development Specialist, indicated that language in the LDA would be amended regarding the automatic termination clause. Presently, there is no notification to a developer if the LDA is to terminate. There is a 14-day period after the default period and if the Agency takes no action, the LDA automatically terminates. It is recommended that this clause be modified to require an affirmative action of the Commission.

Mr. Arnelle inquired if this would be a requirement in all future LDA's or if this is for this developer, and Mr. Rhett indicated that the Disposition Agreement was being amended with regard to this clause. In reply to Mr. Arnelle's inquiry, it was indicated that the principals of Vanguard were present. Mr. Newman inquired if GSA was still intending to be a primary tenant in the building and if this Amendatory Agreement is a change in the financing while the GSA lease is being prepared and Mr. Cliff Jeffers indicated that the GSA lease was still undergoing review and he did not know if they would become a tenant in the building and that is why an alternate is being prepared so this development can move forward whether GSA is a tenant or not. Mr. Arnelle indicated that he was delighted to see principals from Vanguard present as he was disturbed when the Commission is asked to take an action that benefits a developer and none of the principals are here to acknowledge their interest in the decision.

- (d) Public hearing to hear all persons interested in the matter of the conditional assignment of interest in a Land Disposition Agreement by Vanguard Developers to Vanguard/Donsdale Associates, a joint venture, for Parcel 743-D, Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in the matter of the conditional assignment of interest in the Land Disposition Agreement by Vanguard Developers to Vanguard/Donsdale Associates, a joint venture, for Parcel 743-D, Western Addition A-2.

This item relates to the preceding action and requests approval of the conditional assignment by Vanguard Developers of all its rights, title, and interest in the LDA for the parcel located on Turk and Van Ness to Vanguard/Donsdale Associates, a joint venture. The Vanguard LDA approval on April 7, 1981 was conditioned on the developer providing satisfactory evidence that GSA had executed a lease by May 7, 1981. Because of delays in processing the GSA lease in Washington, D.C., the conditional language on the lease was deleted at the Agency meeting of May 5, 1981. A specific date was then incorporated in the LDA to require an executed lease by June 24, 1981 or provision of an alternative financing plan. The developer complied by providing an alternative financing plan on June 24, 1981 which proposes conditionally assigning their interest in the LDA to the proposed joint venture of

NEW BUSINESS (continued)

Vanguard/Donsdale Associates.

Additionally, Mr. Leo Borregard, Agency General Counsel, recommended adding a provision to the amendment to allow an additional 30 days to fulfill the conditions of the amendment which would essentially permit a total of 60 days to fulfill the LDA obligations. The joint venture provides for three possible variations in the percentages of joint venture relationship prior to the issuance of a certificate of completion as specified in the LDA and the joint venture is required to notify the Agency in writing of the percentage of the relationship proposed before the joint venture percentage relationship can become effective.

Mr. Robert Tandler, attorney, indicated that he represented Dobbs and Goodman Associates, one of the original respondents to the offering of this parcel two and one half years ago. He stated that Dobbs and Associates believed that since the developer was making these changes and has taken so long, it was not the project agreed to in 1979. He urged the Commission to review the original proposals submitted or solicit new proposals through a public bidding process. Mr. Grant Sedgwick, Campeau California Corporation, speaking on only his own behalf, referred to the difficulty Vanguard had in negotiating the GSA lease and noted that he had recommended the firm of Donsdale Associates to Vanguard. He believed that the joint venture would provide a beneficial development in the area. Mr. Wade Woods, Western Addition Project Area Committee (WAPAC), indicated that WAPAC Board had approved the joint venture and supported the proposal. Mr. Cliff Jeffers, Vanguard indicated that the design of the building had not changed and that the joint venture did not preclude the GSA lease, but the joint venture will enable the development to go forward expeditiously and urged the Commission to approve the proposal. In reply to Mr. Tandler's inquiry, Mr. Jeffers indicated that the joint venture partnership brings to the development the financial capacity capabilities whether the GSA lease is signed or not. Mr. Tandler reiterated his concern that the project was not going forward as originally proposed and advocated that the property be reoffered.

There being no further persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

Mr. Hamilton indicated that this could not be considered a new project because it had not changed with regard to design and only the joint venture is new and that is appropriate. Mr. Mardikian indicated that although he was not a Commissioner then he was concerned that if a proposal had been made in 1979 with a Canadian, nonminority firm with 70 percent interest whether Vanguard/Donsdale would have been chosen over the other four teams who had submitted proposals. Mr. Hamilton answered affirmatively noting the proposal would still have been staff's recommendation and that the proposed joint venture will add strength while retaining the original participants and design. Mr. Mardikian indicated he thought one of the considerations of the offering was the participation of local minorities, and Mr. Hamilton indicated that that had been one of the considerations and the same people would still be participating. Ms. Blomquist indicated that she had served on the Commission at the time of the developer selection and believed the other proposals were two residential hotels, one condominium, and the Vanguard proposal. All proposals were evaluated thoroughly and it was decided that this office development would be complementary to Opera Plaza which is across the street. Mr. Mardikian indicated he was not questioning design or use selection, but the participation of the original developers and he then inquired if any of the other original

NEW BUSINESS (continued)

proposals provided more than a 30 percent local minority participation and Mr. Hamilton indicated that no other proposals had any such participation. In reply to Mr. Newman's inquiries about the capitalization of the Donsdale Corp., Mr. Fred Cadham of Donsdale indicated on the order of \$5- to \$7 million and it is a wholly owned subsidiary of Donsdale Limited and guarantees all the obligations of the California Corporation, and the net worth of Donsdale's holdings in Canada is \$11 million. Mr. Newman indicated his recognition of the costs incurred by the other bidders but noted that Vanguard sustained substantial costs over the months and he believed they had the right to continue. Mr. King noted his concurrence with Mr. Newman. Mr. Arnelle indicated he did not see any significant change in the development and it appeared that the joint venture was giving a financial base to the development, but it was essentially the same. He expressed the belief that when Vanguard incurred delays with the GSA they did what a prudent developer should do in obtaining this joint venture.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 310-81 BE ADOPTED.

- (e) Resolution No. 311-81 authorizing notification to Divisadero Heights, developer of Parcel 1129-B, of the Agency's exercising its option to require a mortgage subsidy payment in lieu of mortgage subsidy loans in connection with the issuance of Mortgage Revenue Bonds, Western Addition A-2.

Authorization is requested to formally notify Sapunar and Duering the developers of Divisadero Heights, that the Agency has exercised its option in accordance with the Developer Agreement to require the developer pay the Agency a Mortgage Subsidy Payment. The LDA was approved on February 13, 1980 for the construction of 33 market-rate condominium units with 1,647 square feet of commercial space. Initially the developer had agreed to subsidize three moderate income purchasers by providing 15 year second mortgage secured loans which would reduce monthly payments sufficiently for persons with an income of about \$36,000 per year to purchase a unit. However, increases in the development costs and the loan amount to be serviced increased the income requirement to \$50,000, thus frustrating the purpose of the developer to provide the Agency with an option to accept a money equivalent in lieu of the proposed secondary financing and as a result of this agreement, the Agency over a three year period could receive from \$75,000 to \$200,000 depending on the average costs and sales price of the development. Staff is evaluating how these funds can be best used to assist in the Agency's housing efforts in the Western Addition and after consultation with WAPAC, will present a recommendation for Commission consideration. The Agency must exercise this option by written notice to the developer on or before September 1, 1981.

Mr. Wade Woods indicated that WAPAC had reviewed this program and requested the program be put in writing as to how the funds would be used, and in response to Ms. Blomquist's inquiry, he indicated that after studying both options they found that the three units that would be set aside would no longer be affordable.

Ms. Margaret Chase Cainajani, President, Sun House, expressed her belief the Sapunar and Duering development would be an asset to the neighborhood but noted her concern about mortgage subsidies because they did not want to change the quality of the neighborhood. Mr. Hamilton indicated that this development would be sold as market rate units with subsidized mortgages and were intended to provide housing opportunities for the moderate income since

NEW BUSINESS (continued)

they were now beyond the ability of moderate-income persons to purchase even with a subsidy the Agency proposed to accept cash. Mr. Hamilton indicated that the Agency had always had the option of requiring the developer to provide mortgage subsidy loans or the cash in lieu of that program. Ms. Karen Cappino, BANG, read a letter from Noni Richen, Co-Chair of Biedeman Area Neighborhood Group, expressing their opposition to offering units as low-or middle-income housing in this development. The letter also indicated concern that 33 rehabilitated units were vacant with no financing and that the Agency needed to find a way to sell these units. Ms. Blomquist inquired as to which ones were vacant and Ms. Cappino indicated 12 units.

Ms. Blomquist expressed her concern about receiving a cash settlement and having a plan prepared by September 1. Mr. Hamilton noted that only the choice of the option to exercise needed to be decided by September 1. Ms. Blomquist also expressed her belief that the Agency was benefiting the developer and urged obtaining substantial assistance in the City's housing problem. She believed the developer was benefited by low-cost land, SB-99 financing and escalated prices. Mr. Wood noted that if the developer tried to lower the cost of the units then the bond company would not float the bonds.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 311-81 BE ADOPTED.

- (f) Resolution No. 312-81 authorizing a First Amendment to the Personal Services Contract with Arthur H. Silvers, Architect and Planner, Western Addition A-2.

Approval is requested to amend the urban design contract for the Fillmore Center with Arthur Silvers by adding \$7,000 for a total of \$50,500. After Mr. Silvers' contract was approved on February 10, 1981, he was required to obtain Errors and Omission insurance, which cost \$2,000. Staff directed Mr. Silvers to get the insurance and if the contract total was used in the design work, Commission approval would be requested for the \$2,000 insurance cost. The total amount of the contract of \$43,500 was used in the preparation of the design plan, and the need to deal with the unforeseen complexity of the Safeway negotiations and the concerns expressed by various community groups about Safeway's site plan. These resulted in more meetings and design work than originally anticipated. At the August 4 workshop when Mr. Silvers presented the final draft of the Fillmore Center urban design plan, Fillmore Street merchants expressed additional concerns about the proposed character of Fillmore Street and the visual relationship of Safeway and the major plaza at O'Farrell/Fillmore Streets to the existing stores along Fillmore. As a result of these concerns, staff believes that two additional drawings would be helpful in clarifying the functional relationship between Safeway and Fillmore Street and the architectural character and ambience of Fillmore Street. Mr. Silvers' proposed fee would be \$5,000 for these two detailed perspective drawings. It is believed that the "Urban Design Guidelines: Plan II" can best be represented in future meetings by supplementing the written text with the perspective drawings.

Mr. Arnette indicated that at the workshop when the merchants expressed their concern additional drawings would have been helpful and regret this was not anticipated. Mr. Mardikian concurred with Mr. Arnette's statement and requested an explanation as to why the insurance was not included in negotiations the same time as the rest of the contract. Mr. Edmund Ong, Chief of Architecture, indicated that when the contract was negotiated, it was believed Errors and Omissions Insurance was not needed, however, it

NEW BUSINESS (continued)

was later determined by the Legal Division that it was required, and the price of the insurance was based on the size of Mr. Silvers' office. Mr. Earl Mills, Deputy Executive Director, Community Services, indicated that specific insurance requirements are now called to the consultant's attention from the beginning of negotiations.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 312-81 BE ADOPTED.

- (g) Resolution No. 313-81 authorizing a Rental Agreement with Fuller Commercial Brokerage Company for the use of a portion of cleared Agency-owned land, Western Addition A-2.

RULE OF THE CHAIR: Acting President Lee indicated that subject to the objection of any Commissioner that Item (g) would be continued for one week. There being no objection, it was so ordered.

- (h) Resolution No. 314-81 authorizing Wilbur W. Hamilton, Executive Director, and Helen L. Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C. to attend the NAHRO Board of Governors and Committee of Presidents' meetings, August 21-23, 1981.

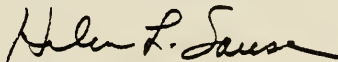
Authorization is requested for Helen Sause and Wilbur Hamilton to travel to Washington, D.C. to attend the NAHRO Board of Governors and Committee of Presidents being held August 21-23, 1981 at a cost not to exceed \$1,500. As indicated at the meeting of July 21, the participation of NAHRO in the formulation of regulations by HUD is extremely important and Ms. Sause and Mr. Hamilton will be attending in their capacities as members of the NAHRO Board of Governors. In addition, Mr. Hamilton will be meeting with HUD officials to further discuss the 300 cooperative units in Hunters Point and Ms. Sause, as YBC Project Director, and Mr. Hamilton will meet with General Services Administration to discuss the purchase of 49 Fourth Street in connection with the Central Block Development in YBC.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 314-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

September 1, 1981

SP
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#4
8/25/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF AUGUST 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of August, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Acting President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig Mardikian
Walter S. Newman

and the following was absent:

Charlotte Berk, President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Howard Thompson, Fillmore Merchants; Thomas Lile, Parcel F-5, Ltd; Jacqueline Narase, ESCMY; Harold B. Brooks, Jr., B. D. Inc.; Nicholas Dempsey, Safeway Stores, Inc.; Clarence Lodge, Westside Masonry, Inc.; Milton Meyers and Wally Ehlers, National Maritime Union; Benny Stewart and Wade Woods, Western Addition Project Area Committee (WAPAC); John Elberling, TODCO; Linda Hallen, South of Market Coalition; and Maurice J. Hyman and Sim Seiki, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner, Marshall Kilduff, San Francisco Chronicle, and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of August 11, 1981, as distributed by mail to The Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) One proposal was received on Offering No. 5 in Hunters Point, which is now being analyzed by staff.
- (b) The Neighborhood Development Program Close Out Agreement for Hunters Point-Stockton/Sacramento will be before the Finance Committee of the Board of Supervisors on Wednesday. Staff will be covering that item and report to you the actions of that Committee.
- (c) On Monday, the Board of Supervisors unanimously approved the conveyance of the streets in connection with Fillmore Urban Design Plan.

- (d) The trip to Washington approved at last week's meeting was delayed because the Mayor's trip was delayed. The plan is to now leave for Washington tomorrow afternoon, and on Thursday the Mayor and Mr. Hamilton will meet with the Administrator of General Services Administration on the question of purchasing the GSA site.

UNFINISHED BUSINESS

- (a) Resolution No. 313-81, authorizing a Licensing Agreement with Willow Van Ness, Inc. for the use of a portion of cleared Agency-owned land, Western Addition A-2.

Authorization of a licensing agreement with Willow Van Ness, Inc. for use of the property located at the Southwest corner of Willow and Van Ness for the purposes of maintaining a marketing and development sign. Willow Van Ness, Inc. is the development entity of Donald Flynn, the designated developer. The sign was erected without permission and after being advised this was inappropriate, the developer asked to have the sign remain until the site is conveyed about October 26, 1981. Tenancy will be month-to-month at a rate of \$250 per month retroactive to August 1. The developer will provide additional security for the site by erecting a fence along the Van Ness property line.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 313-81 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed conveyance of Parcel 1101-B, 1325-29 Divisadero Street, Western Addition A-2.

Resolution No. 315-81, authorizing a Land Disposition Agreement for rehabilitation with KP00 and Associates for Parcel 1101-B, 1325-29 Divisadero, westerly side of Divisadero between Ellis and O'Farrell, approving the Disposition Value and ratifying publication of Notice of Public Hearing, Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in the matter of the proposed conveyance of Parcel 1101-B, Western Addition A-2.

Authorization is requested to enter into a Disposition Agreement with KP00 and Associates, a joint venture, for rehabilitation of 1325-29 Divisadero Street. Exclusive Negotiations were authorized on May 12, 1981 for this four-story, wood-frame building that has 16 studio apartments and ground floor commercial space. KP00 & Associates is a joint venture with KP00 and Robert Becker of Wintergreen Enterprise, Inc. KP00, a public service non-profit, educational radio station represents neighborhood organizations and minority groups in the City and is also known for their weekly broadcast of the Board of Supervisors' meetings. KP00 has successfully trained, at no cost to the trainee, over 70 persons who have acquired their FCC licenses necessary for employment in the broadcasting industry. Under the terms of the joint venture, KP00 and Associates will provide KP00 Radio Station a 99 year lease at \$1.00 per year; rehabilitate the space to KP00's specifications; supply the capital for purchase and rehabilitation of the building, provide KP00 with a 25 percent equity ownership and first refusal rights in event the property is offered for sale. The schedule of performance for the agreement

NEW BUSINESS (continued)

requires submission of evidence of equity capital and mortgage financing by February 1982 and conveyance of the site in April 1982.

There being no persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 315-81 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the amended Disposition Agreement of Land for Parcels 725-A(1), B, D, E and 708-A(1), Western Addition A-2.

Resolution No. 316-81, authorizing an amendment to the Land Disposition Agreement with Safeway Stores Incorporated, for Parcels 725-A(1), B, D, E and 708-A(1), located within blocks bounded by Fillmore, Ellis, Webster and Geary, approving Disposition Price and ratifying publication of Notice of Public Hearing, Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in the matter of the proposed amended Disposition Agreement of Land for Parcels 725-A(1), B, D, E and 708-A(1), Western Addition A-2.

Authorization is requested to approve an amended Land Disposition Agreement (LDA) with Safeway Stores, Inc. The LDA approved in April was not executed by the Agency or Safeway. The Agreement has now been amended to address concerns that arose after the LDA was drafted and has now been signed by Safeway. Revisions to this Agreement include: the areas previously described to be sold, developed, and commonly used by the parties to the Agreement and new descriptions are substituted to accommodate design features including the development of a diagonal walkway and two plazas, modification of price, a six months extension of the performance dates, due to delays in reaching this agreement. Finally, then is a deletion of the provision that the Agency or its designee will have an option to acquire the commercial/office building if it is developed by Safeway. The Agreement now provides that if the building is developed by Safeway, the Agency is committed to acquiring it or provide for its acquisition by others before construction starts. When the LDA was approved in April, Safeway and the Agency understood that revisions to the Agreement would be required which would accommodate emerging changes in site location and consequent alteration of business terms deriving from the urban design plan for the Fillmore Center prepared by the Agency's urban design consultant, Mr. Arthur Silvers. However, it is not anticipated that Safeway's Site Selection Committee would refuse to accept an important provision in the LDA already approved by its divisional office and stating they would not be willing to proceed unless relieved of this responsibility because it would impound capital needed for the construction of other Safeway developments. Except for this change, all other respects of the Agreement seems at least as favorable to the Agency as when previously approved. Because of the loss of time in securing this agreement, the performance schedule has been shortened to meet Urban Development Assistance Grant (UDAG) requirements, and is conditioned upon an extension of six months in the UDAG performance dates and the City has made a request for such an extension. Staff believes it will be successful in completing a sale of the commercial/office building by the required time and is actively pursuing

NEW BUSINESS (continued)

this. Mr. Nicholas Dempsey, Safeway Stores, Inc. read a letter addressed to Ms. Berk expressing gratitude to the Commission and staff for the efforts and especially noted appreciation for the work of William Haskel and particularly Douglas Myers, as it was due to his skills that this year of delicate negotiations resulted in the proposed agreement now before the Agency Commission.

Mr. Benny Stewart, Executive Director, WAPAC, indicated opposition to the portion of the amendment to the LDA regarding the 60,000 square foot office building that now provides that if the building is developed by Safeway, the Agency is committed to acquiring it or providing for its acquisition by others before construction starts. He believed that Safeway should proceed as originally planned, and expressed concern that the community would lose the first office building in the Fillmore Center. Mr. Hamilton indicated that this had also concerned staff. It had been anticipated that Safeway would develop the office building, but in final negotiations this particular provision had to be modified to avoid losing the most important objective which is to have Safeway in the community. Mr. Stewart inquired how the amendment would effect the employment promised under the UDAG grant and Mr. Hamilton indicated that employment potential of the 60,000 Square foot parcel had always been conditional. The Agency will require that whoever occupies the building meets the standards of employment opportunities for people from within the community. Mr. Stewart inquired if the Agency at this time had a prospective purchaser and Mr. Myers indicated that they had found an interested party, but that no agreement had been reached.

Mr. Howard Thompson, President, Fillmore Merchants Association, stated that his organization had no objection to the proposed amendments.

There being no further persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

Ms. Blomquist inquired how Safeway would now benefit from the UDAG funds, and Mr. Hamilton noted that Safeway was not affected by the change. The UDAG funds would be used for part of the physical development program in the Fillmore Center and Safeway will also provide capital funds for some improvements. In reply to Ms. Blomquist's inquires, Mr. Myers indicated that the parking area at Ellis and Eddy would be improved with UDAG funds for 80 parking spaces to be used for employee parking for one of the buildings. The south parking lot would be developed by the Agency for a use not yet determined. The additional square footage is due to the expansion into the street area and will accommodate the walkway. The removal of the utilities from those streets is an obligation of the Agency to prepare the property for the developer and the service drive will be retained by the Agency. Mr. Lee inquired about WAPAC's official position and Mr. Stewart indicated that they had not taken action on the amendments.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-81 BE ADOPTED.

Mr. Newman expressed his belief that this was a major commitment to completion of the Fillmore area and Safeway is taking a risk and deserves thanks for their participation.

NEW BUSINESS (continued)

- (c) Public hearing to hear all persons interested in the matter of the proposed conveyance of Parcel 785-A(3), south side of McAllister between Franklin and Gough, Western Addition A-2.

Resolution No. 317-81, authorizing a Land Disposition Agreement with Maurice J. Hyman for Parcel 785-A(3), approving Disposition Value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in the matter of the proposed conveyance of Parcel 785-A(3), Western Addition A-2.

Authorization is requested to enter into an LDA with Maurice J. Hyman for the parcel on the southside of McAllister, which is adjacent to the building Mr. Hyman is rehabilitating at 683 McAllister. The building at 683 was bought from Mr. Hyman in 1969 and was scheduled for demolition, but was subsequently offered back to him as a building feasible of rehabilitation. Mr. Hyman did not agree with staff on the extent of rehabilitation and in 1978 instituted a lawsuit for damages, which the Commission authorized for settlement in April 1979. Thereafter, an LDA was entered into in September 1980. Mr. Hyman approached staff with a proposal to purchase the adjacent parcel to provide additional parking and open space for his commercial building and considering the limitation of the undersized lot, 17.5 x 120' and the lack of parking on the adjacent parcel, this is believed to be an appropriate use. The performance schedule is to submit evidence of financing by September 15, 1981; commence construction by November 30, 1981; and complete construction by March 1982.

There being no persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 317-81 BE ADOPTED.

- (d) Public hearing to hear all persons interested in the Fourth Amendatory Agreement to the Land Disposition Agreement with Nihonmachi Community Development Corp., which revises the disposition price for Parcel 686-G, northwest corner of Post and Laguna, Western Addition A-2.

Resolution No. 318-81, authorizing a Fourth Amendatory Agreement to the Land Disposition Agreement with the Nihonmachi Community Development Corp. for Parcel 686-G, ratifying the Notice of Public Hearing, Western Addition A-2.

Acting President Lee opened the public hearing to hear all persons interested in the matter of the Fourth Amendatory Agreement to Parcel 686-G, Western Addition A-2.

Authorization of a Fourth Amendatory Agreement to the Land Disposition Agreement with the Nihonmachi Community Development Corp. for the parcel allocated to Mr. and Mrs. Sim Seiki. This amendment revises the disposition price, from \$56,250 to \$181,250, for the parcel located on the northwest

NEW BUSINESS (continued)

corner of Post and Laguna Streets. In view of the substantial rise in the land price the developers have indicated that they are unable to carry out the project alone and intend to form a joint venture with Mr. Theodore Lee and again review the design of this development with the possible elimination of the four units for low-to-moderate income families as it is felt providing the units in this particular development affects its economic feasibility and they are exploring the possibility of constructing them on a portion of the parcel proposed for common parking. The "cupola" building was formerly on this site and its demolition opposed some community organizations, but permitted after the developer agreed to provide four residential units. Staff will be reviewing these matters and will return in the near future with recommendations for your consideration.

There being no persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

Ms. Blomquist indicated her concern that when the "cupola" building had been demolished it was with the understanding that the residential units would be built and she hoped that staff would carefully monitor this situation so those units would not be lost and Mr. Hamilton indicated that those factors would be seriously considered before formulating a recommendation.

In reply to Mr. Lee's inquiry, Mr. Richard Kono, Acting Development Director, indicated that the property was appraised approximately three years ago.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 318-81 BE ADOPTED.

- (e) Public hearing to hear all persons interested in the matter of the proposed conveyance of Parcel 3751-P, northeast corner of Lapu Lapu and Harrison, to NAMAR Realty Holding Trust, Yerba Buena Center.

Resolution No. 319-81, authorizing a Land Disposition Agreement with NAMAR Realty Holding Trust for Parcel 3751-P, approving the Disposition Price and ratifying the publication of Notice of Public Hearing, Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-P, Yerba Buena Center.

Authorization is requested to enter into a Land Disposition Agreement with NAMAR Realty Holding Trust, which is the National Maritime Union's (NMU) holding company for their pension trust fund, for the parcel located at the northeast corner of Lapu Lapu and Harrison Streets. Exclusive Negotiations were granted in March of 1981 and at that time concerns were expressed as to the size and design of the proposed building. NMU was given 90 days to refine the design of the building and they presented their schematic design, which staff endorsed on June 9, 1981. NMU proposes to construct a six story, 76,000 square foot building that contains two subsurface floors of parking, a ground floor meeting hall and adjacent retail spaces, union offices and medical facilities on the second floor with union executive offices on the sixth floor, the balance of the building will be

available for rent as office space. The Performance schedule requires submission of evidence of financing in March 1982; conveyance of the site in April 1982 with construction to commence within 30 days and completion within 24 months after conveyance.

Mr. John Elberling, of TODCO, requested that the developer donate \$71,500, to the community so that the adjacent parcel could be purchased for the community gardens. He noted his efforts to persuade the NMU to participate in this way. Ms. Linda Hallen, South of Market Coalition, indicated that originally the developer had approached the community with a proposal for a health clinic, however, it was determined that this would not be useful to the neighborhood. However, she supported the donation of money to purchase the adjacent parcel was a viable alternative. In reply to Mr. Newman's inquiry, Ms. Hallen indicated that once the money was found for the preparation of the parcel, which would be about \$71,500 in cost to make the property usable, then the seniors would keep up the gardens. Mr. Elberling added that if TODCO owned the parcel they would operate it paying for the insurance as that type of expense is eligible for funding under the hotel tax fund regulation.

There being no further persons wishing to appear in connection with the matter, Acting President Lee declared the public hearing closed.

Mr. Wally Ehlers, National Maritime Union (NMU), expressed surprise at this request for money to buy the adjacent parcel. He indicated he had not heard of the request and noted that they had only offered facilities inside the building.

Ms. Blomquist indicated her concern that this developer was getting the land at \$14 a square foot that could be sold for \$30-50 a square foot and that the sale of the land at that rate would only benefit the developer. She believed other developers are being asked to offer community amenities and she did not want to let this developer go without offering anything to the community. Mr. King noted that the NMU had offered facilities inside the building and stressed that the building was being constructed out of union funds and they should have made this request earlier. Mr. Hamilton indicated that if this request had been specified in the offering or at the time of Exclusive Negotiations, it could have been factored in, but this was not discussed at that time and this is not a requirement of this pension funded development. Ms. Blomquist believed that the minutes of March 10, 1981, when Exclusive Negotiations were granted, reflected the idea that the Union was to work with the community on an alternative to the health center and expressed disappointment that the community would not get anything. Mr. Newman expressed concern at decisions imposed at a time when arrangements had been concluded did not represent good planning. Further, this developer acted in good faith in offering facilities and even though the community believed they were not big enough. Mr. Elberling indicated that the National Maritime Union did know about these requests as a letter to Joan Burns had been sent on March 17 asking for help to raise funds for the gardens and again on July 2 a letter was sent with a copy to staff asking to help purchase this parcel, but no reply had been received. Acting President Lee noted that this developer had been very cooperative and believed the development should proceed as proposed.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. NEWMAN THAT

NEW BUSINESS (continued)

RESOLUTION NO. 319-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnette
Mr. King
Mr. Mardikian
Mr. Newman
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (f) Resolution No. 320-81, authorizing the Exclusive Negotiations with Clementina Partners, Limited for Parcel Air Rights of 3735-D, northeast corner of Third and Clementina, Yerba Buena Center.

RULE OF THE CHAIR: Acting President Lee indicated that subject to the objection of any Commissioner that Item (f) would be continued for one week. There being no objection it was so ordered.

- (g) Resolution No. 321-81, authorizing a First Amendatory Agreement to the Land Disposition Agreement with Clarence A. Lodge for Parcel B-8, west side of Jennings between Evans and Newhall, India Basin Industrial Park.

Approval is requested of a First Amendatory Agreement to the LDA with Clarence A. Lodge for the Parcel located on the west side of Jennings between Evans and Newhall in the India Basin Industrial Park. The LDA was authorized in July 1979. The developer proposes to construct a masonry building to be used for his business Westside Masonry, Inc. This firm is a minority-owned masonry subcontractor and has been involved in construction of several buildings in redevelopment areas. There are currently 15 employees with expansion to 17 in the immediate future. Mr. Lodge also anticipates hiring two apprentice bricklayers each year from the Bayview Hunters Point area. In July of this year the developer was sent a Notice of Default and he is now requesting a 60-day extension to give him time to obtain a building permit. He was unable to meet the original dates but has now resolved those issues that kept him from doing so, and is now able to proceed with the project. The revised submission dates are: submission of evidence of financing from March 14, 1981 to October 26, 1981; commencement construction from May 7, 1981 to January 4, 1982; and completion of construction from January 14, 1982 to July 20, 1982.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 321-81 BE ADOPTED.

- (h) Resolution No. 322-81, authorizing a First Amendatory Agreement to the Land Disposition Agreement with Parcel F-5 India Basin Ltd., for Parcel F-5, India Basin Industrial Park.

NEW BUSINESS (continued)

Approval of a First Amendatory Agreement is requested to the LDA to extend the Performance Schedule with the firm of Parcel F-5 India Basin, Ltd., for the parcel located on the south side of Evans Avenue, between Mendell and Keith Streets in India Basin Industrial Park. This LDA was approved September 11, 1980 for the development of a 36,000 square foot facility for lease to small businesses, which will have the opportunity to buy an ownership interest in the Limited Partnership that at this time and until completion of the building consist of Thomas and Karen Lile. A Notice of Default was sent the developer on July 20, 1981 and the developer responded in writing stating he was very committed to moving forward with his program and requested the Schedule of Performance be revised to: submission of evidence of financing from April 1981 to January 1982; commencement of construction from June 1981 to March 1982; and completion of construction from April 1982 to March 1983.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 322-81 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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9/1/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF SEPTEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of September, 1981, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Dian Blomquist
H. Jesse Arnelle
Leroy King
Haig G. Mardikian
Walter S. Newman

DEPARTMENT OF
PUBLIC LIBRARY

APR 17 1982

and the following was absent:

None

DEPARTMENT OF
PUBLIC LIBRARY

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were J. Bulkley, Jackson - Bulkley; Sammie Dukes, Dukes-Dukes and Associates; Andrew L. Bard, Miller & Schroeder Municipals, Inc.; Lillian Moose, Chelsea Development Company; Mary Helen Rogers, Western Addition Project Area Committee (WAPAC); Ray Packtner, Consumer Action; Florentino T. Ramirez, Fil-Am Alliance; Henry T. Taylor, Harding Lawson Associates; Ed de la Cruz, South of Market Fil-Am; Alan Shratter, YBC Arts; Hiram Smith, Robert Becker, Jessie Abrams, Blue Bird Associates; and Doug Engmann, Sue Hestor, Sue Bierman, Calvin Welch, Richard Gryziec, Christopher Martin and Jack Morrison, interested citizens.

Representing the press were Gerald Adams, San Francisco Examiner, Marshall Kilduff, San Francisco Chronicle, and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of August 18, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on

REPORT OF THE EXECUTIVE DIRECTOR (continued)

the following matters:

- (a) The Board of Supervisors approved the Close Out Agreement for the Stockton-Sacramento/Hunters Point Neighborhood Development Program at their regular meeting yesterday.
- (b) There will be no regular meeting of the Redevelopment Agency on September 8, 1981.
- (c) A Special Agency Commission meeting will be held on Thursday, September 10, 1981 at 10 a.m. for the purpose of receiving the design concepts from O & Y Equities Corporation for the Central Blocks of Yerba Buena Center.
- (d) The Parking Authority held a special meeting today to discuss the housing to be constructed over the Performing Arts Center Garage and have continued discussions until Thursday, September 3, 1981.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the Land Disposition Agreement with Overture Associates and Isabella Tower Associates for the air rights on Parcel 792-A, northeast corner of Grove and Gough Streets, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued until the meeting of September 15, 1981, at staff request. There being no objection, it was so ordered.

- (b) Public hearing to hear all persons interested in the proposed assignment of interest of Parcel 749-A, southwest corner of Eddy and Webster Streets, Western Addition A-2.

Resolution No. 323-81, authorizing an assignment of interest in the Land Disposition Agreement with Jessie L. Abrams, to Bluebird Associates, a joint venture, composed of Jessie L. Abrams, Robert H. Becker, and Hiram E. Smith; ratifying notice of public hearing for Parcel 749-A, Western Addition A-2.

- (c) Resolution No. 324-81, authorizing a Second Amendatory Agreement to the Land Disposition Agreement with Bluebird Associates, Parcel 749-A, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the proposed assignment of interest of Parcel 749-A, Western Addition A-2.

Item b, requests authorization to assign all rights, title and interest of Jessie Abrams in the Land Disposition Agreement (LDA) to Bluebird Associates, a joint venture, composed of Jessie Abrams, Hiram Smith and Robert Becker for the development of an eight-unit

NEW BUSINESS (continued)

building at the southwest corner of Eddy and Webster Streets, and Item (c) requests approval of a Second Amendatory Agreement to extend the Performance Schedule in the LDA. The LDA was approved in April 1980 and staff and bond counsel have endeavored to provide SB-99 financing for this development. A First Amendatory was approved in December 1979 to facilitate the tax exempt bond financing, but under the revised guidelines for SB-99 the development was not feasible. Conventional financing was sought, but Mrs. Abrams' lack of development experience made the lenders reluctant to participate. Mrs. Abrams then proposed a joint venture with Hiram Smith an attorney active in the Western Addition and Robert Becker, a developer/contractor who has worked on other developments in the community each would hold a one-third interest. Staff believes that the two joint venturers provide the additional experience and financial strength necessary for the development to go forward. This amendment would extend the performance dates for: submission of evidence of financing from June to December 1981 and conveyance of the site from July 1981 to January 1982. This amendment would also permit conversion from market-rate rental units to condominiums with the Agency's approval and institute the Agency's profit limitation program. The amendment is conditioned on the joint venturer's accepting a re-appraisal of the property, which is necessary because the current appraisal expires on October 30, 1981.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 323-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 324-81 BE ADOPTED.

- (d) Resolution No. 325-81, authorizing a Fifth Amendatory Agreement to the Land Disposition Agreement with Oscar J. Jackson and Jonathan D. Bulkley for Parcel 1100-D(1), east side of Beideman between Ellis and O'Farrell Streets, Western Addition A-2.

Approval is requested of a Fifth Amendatory Agreement to the LDA with Oscar Jackson and Jonathan Bulkley for the parcel located on the eastside of Beideman between Ellis and O'Farrell Streets.

The developer plans to build six market-rate single-family housing units. The LDA has been previously amended to extend submission of evidence of financing and on August 4, to accept the new disposition price of \$67,500 established by reappraisal. The Developers have been in discussion with several prospective lenders for a financing commitment it has not yet been obtained and the developer now requests a 90 day extension which they believe will permit them to secure a commitment. The new submission of evidence of financing date would be revised from September 1 to December 1, 1981 and conveyance from September 29 to December 29, 1981.

NEW BUSINESS (continued)

Ms. Mary Rogers, Chairperson, WAPAC, expressed concern regarding Dr. Jackson's payment to the Agency concerning profit limitation on the other parcel he developed in A-2. She believed it was taking too long. Mr. Byron Rhett, Business Development Specialist, indicated that Dr. Jackson had submitted information on this development which was being analyzed. Mr. Hamilton indicated that the matter was being pursued by staff and if necessary the appropriate legal remedies would be carried out.

Ms. Blomquist expressed her belief that Dr. Jackson should not be allowed to develop more units until the profit limitation issue is resolved on the previous development. Mr. Arnette inquired what this concerned as he was not a Commissioner at the time the issue originally was discussed, and Mr. Hamilton indicated that the discussion was concerning another development unrelated to the item before them today. He noted that Dr. Jackson had developed another parcel which he converted then from rental to condominiums as at that time it was not economically feasible to do as rentals. The Agency had established a profit limitation policy which affected those units, but after they were sold and occupied there has been a dispute as to the allowable cost which is now being evaluated by staff.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 325-81 BE ADOPTED.

- (e) Public hearing to hear all persons interested in the proposed conveyance of Lot 12 Site S-4, located off Whitney Young Circle on Hunters Point Hill, Hunters Point.

Resolution No. 326-81, authorizing a Land Disposition Agreement with Leroy Wise, Sr. and Lila M. Wise, for Lot 12, Site S-4, approving the disposition value and ratifying the publication of Notice of Public Hearing, Hunters Point.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed conveyance of Lot 12, Site 4, Hunters Point.

Authorization is requested to enter into a Land Disposition Agreement with Leroy and Lila Wise for the parcel located off Whitney Young Circle in the Hunters Point Redevelopment Project. Exclusive negotiations were granted on June 16 to Mr. and Mrs. Leroy Wise, who plan to build a 2,000 square foot single-family home for their own occupancy. This is one of the six lots within the Site S-4 area which was offered exclusively to certificate holders from Hunters Point and India Basin and to residents and developers of the Bayview area. The Performance Schedule provides for submission of evidence of financing in May 1982; commencement of construction July 1982 and completion of construction June 1983. This is the final parcel to have an LDA of the 16 single-family home lots in the S-4 area.

NEW BUSINESS (continued)

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 326-81 BE ADOPTED.

- (f) Resolution No. 327-81, approving the Preliminary Official Statement for the Residential Construction Mortgage Revenue Bonds, 1978 Series A, for Bay Vista Homes Limited, and authorizing its distribution, Hunters Point.
- (g) Resolution No. 328-81, authorizing execution of a financing agreement with Bay Vista Homes Limited in connection with issuance of tax-exempt Mortgage Revenue Bonds, Hunters Point.

Item (f) provides for approval of a Preliminary Official Statement for the Residential Mortgage Revenue Bond (SB-99) 1978 Series B, which is to be issued for Bay Vista Homes Limited, and used to finance market rate homes on scattered parcels in Phase I of Hunters Point. Item (g) concerns approval of a Financing Agreement with Bay Vista Homes, the developer, for their assumption of financial responsibility and for payment of costs incurred by the Agency should the bonds not be issued. The bonds will provide purchasers with financing for the 55 market-rate single-family homes. The proposed underwriters are Miller & Schroeder Municipals, Inc. an experienced underwriting firm. First Interstate Bank of California will issue letters of credit, Security Pacific National Bank will be appointed trustee and PMI Insurance Co. will provide private mortgage insurance. In previous bond issues there has been a provision that the Agency would be liable for expenses incurred if the issue failed. In this issue the developer is required to assume this liability. The Agency in turn agrees to use its best efforts to consummate the issue.

In reply to Ms. Blomquist's inquiry, Mr. Phil Westergaard, Business Development Specialist indicated the sales prices of the units would range from \$87,000 to \$125,000.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 327-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 328-81 BE ADOPTED.

- (h) Resolution No. 329-81, authorization to negotiate a Professional Services Contract for a Housing Finance Consultant services with Questor Associates, Elyth Eastman Paine Webber, and Kutak Rock and Huie, Rincon Point - South Beach.

Authorization is requested to negotiate a contract with Questor Associates, Blyth Eastman Paine Webber and Kutak Rock and Huie, a joint venture for housing finance consultant services for the Rincon

NEW BUSINESS (continued)

Point - South Beach project. Letters were sent to eight consulting firms requesting expression of interest and statement of qualifications, and three firms responded. A selection committee, made up of staff from different divisions, reviewed the statements of qualifications and conducted interviews, after which the committee recommended the Questor joint venture as offering the strongest combination of talents and experience and having the best grasp of California Housing issues in general and San Francisco housing issues in particular. The Questor joint venture also has a strong commitment to affirmative action and equal opportunity employment. The contract will address the very complex issue of how 50% of the housing units can be developed for low and moderate income households.

In reply to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the contract was anticipated to cost from \$40 to \$50,000. In reply to Mr. Mardikian's inquiry, Mr. Hamilton indicated that it was the Agency's policy to negotiate professional services contracts not offer them for competitive bid.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 329-81 BE ADOPTED.

- (i) Resolution No. 330-81, authorizing a Personal Services Contract, RPSB-E1, "Infrastructure" with the firm of Kennedy/Jenks Engineers, Rincon Point - South Beach.
- (j) Resolution No. 331-81, authorizing a Personal Services Contract, RPSB-E2, "Soils" with the firm of Harding Lawson Associates, Rincon Point - South Beach.
- (k) Resolution No. 332-81, authorizing a Personal Services Contract, RPSB-E3, "Harbor" with the firm of Winzler & Kelly, consulting engineer, Rincon Point - South Beach.

It was requested and agreed that items 9(i), 9(j) and 9(k) would be introduced together, but acted on separately.

Authorization is requested to enter into three contracts for the Rincon Point - South Beach which had been authorized for negotiation at the Regular Meeting of July 28, 1981 after staff had received proposals and conducted interviews. The first contract is proposed with Kennedy/Jenks to produce a Master Infrastructure Plan to identify existing improvements in present or proposed street rights-of-way, alignments and cross sections, sizes and locations of needed utilities, preliminary design for consolidating existing rail lines and proposed Municipal railway into a compact system of jointly used trackage, conceptual design of the Rincon Point park, and general consultation. These plans will provide the basis for construction contracts to be prepared under subsequent contracts. The services would begin this month and are anticipated to be completed in mid-1983 for a contract amount not to exceed \$275,000.

NEW BUSINESS (continued)

The second is a contract with Harding Lawson Associates to compile the soils studies and field explorations previously made in the waterfront area into a single report to be used as a basis for design of future site improvements. This contract will also include consultation during the design and construction phases of the site improvement contracts. It is anticipated these services would also begin this month and continue to approximately 1987 for an amount not to exceed \$230,000.

The third contract is with Winzler & Kelly to prepare the feasibility report for the proposed 400-berth South Beach Small-Boat Harbor and park. The services will include engineering, geotechnical, architectural, landscape, marketing, environmental and financial considerations. The report produced will provide the basis for the Agency's selection of development alternatives and for seeking funds for development of the harbor. The Feasibility Report is to be produced by February, 1982 and the Master Plan design two months later for an amount not to exceed \$150,000. With approval of these contracts, the engineering and urban design master planning for the public facilities can proceed for the Rincon Point - South Beach Project as well as a Feasibility Report for the harbor and park.

In reply to Ms. Blomquist's inquiry about beginning work on the project, Mr. Frank Cannizzaro, Project Director for Rincon Point - South Beach, indicated that these studies were a necessary prelude to the implementation of physical improvements. He expressed concern that the study of the I-280 freeway would delay progress in the development. In response to Ms. Blomquist he noted that Department of Transportation, the State and the Metropolitan Transit District were undertaking this study which would take approximately eighteen months once it was started. Ms. Blomquist asked if this work could be expedited and Mr. Cannizzaro noted that every effort would be made to do so. In response to Mr. Lee's inquiry about control over the use of consultant time and salaries Mr. Cannizzaro indicated that this varied with the type of consultant and would be controlled through use of notices to proceed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 330-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 331-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 332-81 BE ADOPTED.

- (1) Resolution No. 333-81, amending Resolution No. 133-79, and authorizing issuance, sale and delivery of a Supplemental Promissory Note in an amount not to exceed \$2,000,000, in connection with the Agency's SB-99 construction financing for the Mei Lun Yuen

NEW BUSINESS (continued)

development in the Stockton-Sacramento Redevelopment Project Area. In October 1979 the Agency issued and sold to Huntoon Paige and Associates, Ltd., its obligations in the amount of \$11,934,000 to provide construction financing for this housing development. This is 100 percent Section 8 housing for the elderly, handicapped and low-income persons and families. Permanent financing will be provided through the Government National Mortgage Association. As a result of an increase in construction costs, the development's sponsor, Mei Lun Yuen, Inc., applied to the Agency for an increase in the SB-99 construction financing allowance. The increased cost items will be reviewed, certified and approved by HUD in connection with its approval of an increase in the FHA mortgage amount and will result in no additional expense to the Agency. As required by State law, a Resolution has been submitted to the Board of Supervisors authorizing the Agency to provide this increase in its SB-99 construction financing. The Agency is authorized to take this action as the issuer of the SB-99 construction financing.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 333-81 BE ADOPTED.

- (m) Resolution No. 334-81, authorizing expenditure of funds to prepare print, and mail brochures to Certificate Holders regarding available housing at Mei Lun Yuen, Stockton-Sacramento.

Authorization is requested to expend an amount not to exceed \$2,377 for the printing of brochures for certificate holders notifying them of the availability of housing at Mei Lun Yuen housing development. This brochure will also indicate that certificate holders have priority over the general public. Since most of the certificate holders live outside the Chinatown area they have no other way of learning about this housing opportunity. Printing quotations were received from three firms to produce 2,000, eight-page brochures and the lowest quote was received from Riteway-Haluska for \$2,377. This price includes printing, binding, paper stock and envelopes.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 334-81 BE ADOPTED.

- (n) Resolution No. 335-81, authorizing Exclusive Negotiations with O & Y Equity Corporation/Marriott Corporation/Beverly Willis for development of Parcels 3722-A and B, located on the east side of Third between Mission and Howard Streets, Yerba Buena Center.

Approval is requested to enter into Exclusive Negotiations with O & Y Equity Corporation/Marriott Corporation/Beverly Willis (O & Y); for the parcel located on Third Street between Mission and Howard Streets described as East Block 2. The proposed use of this parcel is for housing however, East Block 2 could not be offered for sale until a decision was made on the proposal to use the site as a trade for the property owned by the General Services Administration at 49 Fourth Street. This is not now a consideration because it has been

NEW BUSINESS (continued)

determined that it is in the City's best interest to purchase the GSA site.

Mr. Hamilton noted that there was an economic issue now involved. He recalled that during the concept design for the YBC Central Blocks the potential developer, O & Y, was directed to prepare alternative design concepts with and without housing in CB-2. In addition staff has raised concerns about the density of the development proposed for Central Block 1. O & Y has expressed the belief that the economics of the project require significant density on Central Block 1 and the inclusion of housing on Central Block 2. Mr. Hamilton noted that the Request for Qualifications (RFQ) permitted housing uses on CB-2 only if such uses are "compatible" with the gardens uses. The developer has asserted that if no housing is not included on CB-2, or the density is lowered on CB-1 the project would not be economically viable. O & Y has therefore requested additional development opportunity in the form of the Exclusive Negotiating Rights for East Block 2. Staff believes that such a designation is appropriate if it is conditioned on establishment of economic need which could be occasioned by not permitting housing uses on CB-2, or the decrease in the proposed density on CB-1. This designation is recommended to run concurrently with the term of the negotiations for Central Blocks and would expire on December 16, 1981.

Calvin Welch expressed the belief that this proposal set aside the RFQ program. He expressed concern about the timing of acceding to the developer's request for additional development opportunity and urged postponement of action on this proposal.

Florentino Ramirez indicated that the South of Market Alliance has been meeting with O & Y and he believed that the designation is premature because clarification was needed on the developer's program before such an action was taken. Mr. Ramirez also introduced other members of the Alliance including Mr. Welch, Ms. Kaye Patchner of Consumer Action, Mr. Eugene Coleman of Canon Kip Community House, and Ms. Kathleen Connell of South of Market Grocery.

Ms. Kaye Patchner also spoke urging the postponement of action on the designation. She believed that insufficient information had been made available to the public to support such an action.

Mr. Richard Gryziec, Architect, expressed the belief that the negotiations were not proceeding appropriately, either legally or from a planning perspective. He felt that the Agency had violated the Public Records Act by proposing this designation without public process. He also alleged that the State Redevelopment Law had been violated because the proposed action would not accomplish a public purpose and finally he believed such an action would constitute a gift of public funds.

NEW BUSINESS (continued)

Sue Hestor, Consumer Action, expressed the belief that the granting of Exclusive Negotiation rights to O & Y could be an appropriate action; however, there was insufficient information to provide the public with the ability to provide an informed reaction. She also was concerned about an indication she had heard that the developer was to pay for a new Asian Art Museum in the project and did not believe the public had had an adequate opportunity to comment on this proposal.

Mr. Christopher Martin, President, Fisherman's Wharf Association, indicated that his organization had submitted questions about the retail component in the development and he wanted responses to these issues and further, he believed the EIR should address the impacts of the total development program. He emphasized his concern that speciality retail may be overbuilt in San Francisco.

Mr. Jack Morrison recalled his service on the Mayor's Select Committee and stressed his belief that the primary focus of the development should be the gardens uses; therefore, he believed that the concept plans should not include housing on CB-2. However, he felt that there was insufficient information available to be able to support the designation of CB-2 to O & Y for economic reasons. Mr. Morrison urged that implementation of the gardens program be the primary goal of the Agency.

This concluded those wishing to speak on this matter.

In response to President Berk, Mr. Hamilton indicated that he wished to comment on the speakers remarks. He noted that the Agency was continuing its publicly discussed process for negotiating the development of the RFQ program. The proposal for inclusion of EB-2 in the process was in accordance with the Agency's goal of implementing the RFQ. He also stressed that the proposal had been publicly noticed as are other actions calendared for Commission consideration.

He stated that the economic aspects of the development were confidential during the negotiating process and would be publicly presented when the negotiations were complete. As indicated, the developer is providing three design concepts which are to be publicly reviewed. These design concepts are to be presented independent of economic considerations in order to designate a preferred concept on the basis of the optimum design. The developer had been told that they would not be required to present a concept that was not economically feasible to build; therefore, based on the O & Y evaluation, the request for additional development opportunity is calendared for consideration. He noted that this designation will be carefully analyzed by staff at the appropriate time when the business terms of the negotiation were begun. Mr. Hamilton also indicated that the Agency was carefully considering the issues raised by the retail merchants. He noted that Mr. Christopher Martin had been advised that these matters were under consideration and

NEW BUSINESS (continued)

that the Agency would be working with the retail merchants. Mr. Martin acknowledged that he had been so advised.

In response to Mr. Arnelle's inquiry, Mr. Borregard indicated that there has been no violation of the Public Records Act. He noted that all actions had been publicly considered and had been taken publicly; he also noted that the Agency was empowered to act on the designation of this parcel under State and Federal redevelopment law and that there was no requirement for a public bidding process of land sales. He stressed that the proposed action was expressly permitted in the State law.

Mr. Mardikian inquired about the status of the three design concepts and Mr. Hamilton noted that the developer had halted work on these pending a decision on the economic feasibility issue. He reiterated that the developer had been assured that the firm would not be required to advance concepts which they believed were economically unfeasible to build.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 335-81 BE ADOPTED.

President Berk announced that the meeting would be recessed for ten minutes. The meeting recessed at 6:20 p.m. and reconvened at 6:30 p.m. with the same roll call.

- (o) Resolution No. 336-81, authorizing Exclusive Negotiations with Park Towers for Parcel Air Rights 3735-D(1), located on the northeast corner of Third and Clementina Streets, Yerba Buena Center.

Authorization is requested to enter into Exclusive Negotiations to September 15 with Park Towers for development of housing in the Air Rights above the Yerba Buena Center Garage. During this time staff will endeavor to obtain sufficient assurances from Park Towers to recommend an extension that will provide sufficient time to negotiate a Land Disposition Agreement. There were four proposals received July 24, 1981 which were reviewed in a workshop on August 4, 1981. Additional information supporting the financial commitments have now been received from these developers and this information has been evaluated as to the relative strengths of each proposal. On August 25, 1981 one of the developers informed the Agency that its major financial backer had withdrawn which seriously limited the financial capability of this development team. While the three remaining proposals meet minimum criteria of quality and feasibility, Park Towers has certain advantages, which include experience and capability of the team; the developer has carried out a number of complex and significant developments provides for 187 units, significantly more than the other proposals; provides that 20% or 37 units will be retained and financed by the developer for low and moderate income households. This proposal shares with the other submittals a phasing ability that does not interfere with the development timetable of the garage. Staff during this time will

NEW BUSINESS (continued)

also review the proposal, time schedule, financial commitments and concurrence of appropriate officials. It is recommended that Exclusive Negotiations be granted until September 15, 1981 with Park Towers for the Air Rights above the YBC garage and at that time both the negotiating rights with the Parking Authority for development of the garage and the air rights development will be calendared for consideration with a realistic schedule.

Ms. Blomquist inquired if the developer planned to use SB-99 financing and Mr. Harold Moose, Park Towers, indicated that it was hoped that bond financing could be made available. He stressed however that the developer was willing to underwrite the costs necessary to design and strengthen the garage to develop the housing.

In response to Mr. Lee's inquiry Mr. Moose indicated that the units would be one and two bedrooms. Mr. Newman asked about the public parking stalls that would be provided and Mr. Moose noted that in accordance with the Agency's offering there would be a minimum of 720 spaces and 47 to serve the condo units. Mr. Mardikian inquired about the location of the garage entrance and staff noted whether the housing was developed over the garage or only the garage went forward the entrance was to be moved from Third Street to Clementina Street.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 336-81 BE ADOPTED.

- (p) Resolution No. 337-81, authorizing an amendment to the contract with the Public Employees' Retirement System.

Approval is requested of the amendment to the Agency's contract with the Public Employees' Retirement System (PERS). This would be the final action required to increase the retirement benefit cost of living adjustment from two to four percent and to provide a one-time, one-to 22 percent increase in the retirement allowance for employees or their survivors if retirement or death occurred prior to June 30, 1974. The adoption of these amendments will result in an immediate savings, which will largely pay for the improved benefits. The total additional annual cost will be approximately \$35,000, and benefits those retirees, survivors, and staff members facing retirement with today's devastating inflation rates.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 337-81 BE ADOPTED.

- (q) Resolution No. 338-81, amending Resolution No. 314-81 regarding travel.

Approval is requested of an amendment that will change the dates and cost authorization for travel of the Executive Director to Washington, D.C. The travel approved at the meeting of August 18,

NEW BUSINESS (continued)

authorized Mrs. Sause and the Executive Director to travel to Washington on Agency and NAHRO matters and in anticipation of accompanying the Mayor to Washington on Agency business, the Executive Director's travel was cancelled. The meetings which it was anticipated the Mayor would attend in Washington are now scheduled during the week of September 7, 1981. This action amends the previous travel authorization to cover the increased cost due to the inability to take advantage of air fare "super savers" and with respect to the date of travel.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 314-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Blomquist and unanimously carried that the regular meeting be adjourned to a Closed Session regarding Personnel. The meeting adjourned to at 6:50 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

R35
#4
9/1/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 1ST DAY OF SEPTEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 6:50 p.m. on the 1st day of September 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

APR 17 1992

and the following was absent:

None

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; and Helen L. Sause, Secretary.

NEW BUSINESS

- (a) Appointment of Harold E. Bell as Deputy Executive Director, Finance and Administration

Approval is recommended to appoint Harold E. Bell to the position of Deputy Executive Director, Finance and Administration. This is occasioned by the interest of Mrs. Jane P. Hale who now holds this position has given the Agency 22 years of competent service and will be retiring at the end of this month. The appointment of Harold Bell to this position, effective October 1, 1981 is being considered at this time in order that signature cards and necessary fiscal and administrative changes can be implemented prior to Mrs. Hale's departure.

Mr. Bell came to the Agency last November from his position as Vice President-Comptroller for the University of Chicago, where he had been employed for 12 years. Mr. Bell's performance as Controller for the Agency has been excellent. He has been very involved in the budgeting process and has quickly become knowledgeable of the Agency's fiscal and administrative operation.

Minutes of a Closed Session, September 1, 1981

NEW BUSINESS (continued)

Resolution No. 339-81 appointment of Deputy Executive Director, Finance and Administration

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that Resolution No. 339-81 be adopted.

Mrs. Berk noted the cut in pay for this position.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:55 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

SF
R35
#4
9/10/81

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF SEPTEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 10:00 o'clock a.m. on the 10th day of September 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

DEPOSITORY
APR 17 1992

and the following were absent:

H. Jesse Arnelle

MUNICIPAL
LIBRARY

The President declared a quorum present

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were member of the O & Y Equity Corp./Marriott Corp./Beverly Willis team, members of the press and public.

NEW BUSINESS

The purpose of the meeting was to receive the alternate design concepts from O & Y Equity Corp./Marriott Corp./Beverly Willis for the Central Blocks of Yerba Buena Center. The development team made a full presentation of the design concepts. At this time there was no action requested. Mr. Hamilton indicated that this meeting was to permit the full presentation to be made and stressed that there would be extensive opportunity for public comment at the Agency meeting of September 22 when the Commission would conduct a public workshop in the Green Room of the Veterans Building. At the Agency meeting of October 6, 1980, designation of a preferred concept would be considered.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Ms. Blomquist that this meeting be adjourned. The meeting adjourned at 1:00 p.m.

Respectfully submitted,

Helen L. Sause
Secretary



SF
R35
#4
9/15/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN~~ FRANCISCO HELD ON THE
15TH DAY OF SEPTEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting of 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of September, 1981, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

DEPOSITORY ITEM

APR 17 1992

PUBLIC LIBRARY

and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Hilda Cloud, Senior Housing Development Corporation; Lillian Moose, Chelsea Development Company; John Russell, John C. Telischak, Russell/Telischak & Associates; and Pat Pettigrew, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of August 25, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the minutes of the closed session of September 1, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the special meeting of September 10, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on

REPORT OF THE EXECUTIVE DIRECTOR (continued)

the following matters:

- (a) The dedication of Mariners Village will be held on Monday, September 14, 1981.
- (b) A Public Hearing will be held Wednesday, September 16, 1982, at 2 p.m. before the Board of Supervisors' Finance Committee and the Planning, Housing and Development Committee in the Board Chambers at City Hall.
- (c) The Agency meeting of September 22, 1982 will be held in the Green Room of the Veteran's Building, and at this time a Public Workshop will be conducted on the alternative design concepts for the development of the Yerba Buena Central Blocks.
- (d) The escrow for the Planters Hotel on Second Street in Yerba Buena Center closed on August 28 and rehabilitation is proceeding.
- (e) The appointment of Harold Bell as Controller was approved in the Commission's Closed Session of September 1, 1981. The appointment is effective as of October 1, 1981. Mr. Hamilton noted that he was pleased and looking forward to Mr. Bell's joining the staff.

NEW BUSINESS

- (a) Resolution No. 320-81, authorizing transmittal of proposed Western Addition A-1 Redevelopment Plan Amendments to the San Francisco Planning Commission, Western Addition A-1.
- (b) Resolution No. 339-81, authorizing transmittal of proposed Western Addition A-1 Redevelopment Plan Amendments to the San Francisco Board of Supervisors and requesting a Joint Public Hearing, Western Addition A-1.

Authorization is requested to transmit the proposed amendments to the Western Addition A-1 Redevelopment Plan to the City Planning Commission and the Board of Supervisors and to request that the Board of Supervisors consent to a joint public hearing on these amendments. The Redevelopment plan was adopted May 1956 and has been amended four times to permit additional land uses to reflect the changing development characteristics in A-1. The purpose of this amendment is to permit development of additional housing and will create a new residential category, as well as a housing bonus, allowing higher residential density in the project. The new residential category is called "M-6 Higher Density" and will allow housing to be a permitted use on the parcel located at Post and Gough Streets, and will create a category for neighborhood-serving commercial activity. This amendment will enable the current property owner, Catalyst Financial Corporation, to develop approximately 150 units of market-rate housing at Post and Gough, subject to the condition they commit to purchase from the Agency structures in the Western Addition A-2 project which contain at least 25 units and that Catalyst rehabilitate these units to be sold

NEW BUSINESS (continued)

to families or persons of moderate income. This will provide a viable alternative to the Agency's Condominium Rehabilitation Program, which has been delayed due to a recent regulatory interpretation from HUD. Following this action it is proposed that the Commission consider authorizing exclusive negotiating rights to Catalyst Financial Corporation for the 25 units. The Redevelopment Law requires that amendments be submitted to the Planning Commission, which has 30 days to complete its report and recommendation on the conformity of the proposed amendments to the Master Plan and it is expected this will be completed by October 15, 1981. Public Hearings by this Agency and the Board of Supervisors must also be held on the proposed Plan Amendments, which can be scheduled about October 19, 1981. Approval of these items will authorize transmittal of the proposed Redevelopment Plan Amendments to the Planning Commission and the Board of Supervisors and also request the that Board of Supervisors conduct a joint public hearing on these amendments.

Ms. Blomquist expressed her concern about high rise developments in the area and stressed her opposition to the proposal.

In response to Mr. Newman's inquiry, Hunter Johnson, Chief, Rehabilitation Division, indicated that the time schedule for the rehabilitation would provide for work to start on one half of the units at the time construction started and the others when the construction was half completed. Mr. Newman inquired about the standards for this work, and Mr. Johnson noted that these would be the same standards as established for other Agency rehabilitations.

Mr. Arnelle inquired about the price of the units and Mr. Johnson responded that this would be determined during the period of exclusive negotiations.

Mr. Benny Stewart, Western Addition Project Area Committee (WAPAC) requested that the Commission reschedule the proposal without action in order to permit WAPAC additional time to analyze the proposal.

Ms. Blomquist endorsed this request suggesting the matter be held over two weeks.

Mr. Hamilton indicated that the proposal was different from the customary offering process where competitive proposals were considered. He urged that the Commission act on Items (a) and (b) but noted that the next agenda Item (c) concerning exclusive negotiations with Catalyst Corporation for specific parcels could be held two weeks.

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. MARDIKJAN THAT RESOLUTION NO. 320-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk

NEW BUSINESS (continued)

Mr. Lee
Mr. Arnelle
Mr. King
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. KING THAT
RESOLUTION NO. 339-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING
VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Arnelle
Mr. King
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (c) Resolution No. 340-81, authorizing Exclusive Negotiations with Catalyst Financial Corporation for Parcels 728-N, 748-B, 1127-F and 1129-0, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioners that Item 9 (c) would be held for two weeks. There being no objection it was so ordered.

- (d) Public hearing to hear all persons interested in the assignment of a 30 percent interest in the Land Disposition Agreement for Parcels 684-D(3) and 684-E(9), 1712-16 Fillmore Street, Western Addition A-2.

NEW BUSINESS (continued)

Resolution No. 341-81, approving assignment of 30 percent interest in the Land Disposition Agreement with Julian and Raye Gilbert Richardson to Gregory and Karen Johnson, Parcels 684-D(3) and 684-E(9), and ratifying publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Authorization is requested to assign 30 percent interest of all rights, title and interest of the Land Disposition Agreement with Julian and Raye Gilbert Richardson to their daughter and husband Gregory and Karen Johnson, for the Parcels located in Victorian Square at 1712-16 Fillmore Street. This LDA was adopted on June 2, 1981, with conveyance to take place by October 2, and with this assignment it is anticipated this deadline can be met. The building which consists of two dwelling units and one commercial unit will be completely owner-occupied with the Richardsons occupying one unit, the Johnsons and their children in the other, and the Richardson's book store occupies the commercial unit.

There being no persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 341-81 BE ADOPTED.

- (e) Public hearing to hear all persons interested in the parking variances for Parcel A and a portion of Lot 26, Assessor's Block 792, Western Addition A-2.

Resolution No. 342-81, authorization to grant density, and off-street parking variances from the physical standards and requirements of the Redevelopment Plan for the Western Addition A-2 pertaining to Parcel A and a portion of Lot 26 on Block 792, air rights housing development over the Performing Arts Center Garage and ratifying publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Authorization is requested for variances from the density and off-street parking requirements pertaining to the proposed housing development on air rights over the Performing Arts Center Garage in the Western Addition A-2. The variance would allow an increase in the density of the development from the currently permitted 3.6:1 Floor Area Ratio to a 4.654:1, which is necessary only to permit the housing development and a decrease in the off-street parking requirements in three parts. (a) if low-and-moderate income elderly housing is developed - the required one parking space for each two dwelling units will be changed to one space per 5.1 dwelling units; (b) if low-and-moderate income family housing is developed, the

NEW BUSINESS (continued)

requirement of one parking space per dwelling unit would be changed to one space per 1.53 dwelling units; and (c) if market-rate housing is developed, the requirement of one parking space for each dwelling unit would be revised to one space per 1.05 dwelling units. The granting of these variances is recommended to assist in the objective of increasing the City's housing supply and use of City-owned lands and creative use of air rights for housing. This is an unusual project which has the Mayor's and the Board of Supervisors' support.

The parking variance for low-and-moderate income units is based on an analysis of subsidized housing developments in the area which indicates a lower rate of automobile usage, especially elderly developments, and is further justified by the location of housing over a publicly-owned parking garage as well as the proximity to Civic Center and major public transit lines. Considering the site, the density variance is justified and the effect of the off-street parking variance will be minimal. The granting of these variances will enable a developer to provide more housing units, without compromising design principles.

Hilda Cloud, Senior City Housing Cooperative, indicated that the Parking Authority would hear this proposal September 21 and urged the continued support of the Agency in attempting to develop this housing.

There being no further persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

Mr. Newman noted that there was a question about the City Attorney's opinion on this matter, and as a result he would abstain until the issue was resolved.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 342-81 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Arnette
Ms. Blomquist
Mr. King
Mr. Mardikian

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Newman

NEW BUSINESS (continued)

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

President Berk indicated that the meeting would be recessed for fifteen minutes at 5:50 p.m. the meeting reconvened at 6:05 p.m., with the same roll call.

- (f) Public hearing to hear all persons interested in the conveyance of Air Rights Parcel 792-A(2), northwest corner of Grove and Gough Streets, Western Addition A-2. (continued from September 1, 1981).

Resolution No. 343-81, authorizing execution of a Land Disposition Agreement with Overture Associates and Isabelle Tower Associates for Air Rights Parcel 792-A(1), approving Disposition Value and ratifying publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that the public hearing and action on Item (f) would be continued for one week. There being no objection, it was so ordered.

- (g) Public hearing to hear all persons interested in the conveyance of Parcel 768-A, east side of Gough between McAllister and Golden Gate, Western Addition A-2.

Resolution No. 344-81, authorizing a Land Disposition Agreement with McAllister Properties Ltd., for Parcel 768-A, approving the Disposition Value and ratifying the publication of Notice of Public hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in this matter.

Authorization is requested to enter into a Land Disposition Agreement with McAllister Properties, Ltd. for the parcel located on Gough between McAllister and Golden Gate Avenue. The developer proposes to build 36 residential condominiums and 10,400 square feet of office condominiums over a 56 car ground floor garage. The LDA includes a special provision regarding profit limitation sharing and requires the Developer to pay the Agency 50 percent of all profit realized from sale of the residential units in excess of 20 percent of allowable costs attributable to the development. Four businesses now occupy the site, plus a vacant lot which is used by Agency staff for parking. Ninety-day notices are required; however, one of the tenants, Multichrome Laboratories, due to the complexity of its equipment may require more than 90 days, thus relocation efforts will begin immediately. There are two buildings on the site which will have to be demolished when the tenants have vacated. The developer's performance schedule requires: submission of evidence

NEW BUSINESS (continued)

of financing by June 30, 1982; start of construction by August 30, 1982; and completion by December 30, 1983.

There being no further persons wishing to appear in connection with this matter, President Berk declared the public hearing closed.

In response to Ms. Blomquist's inquiry, Mr. Hamilton noted that relocation efforts were not expected to delay the development.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 344-81 BE ADOPTED.

- (h) Resolution No. 345-81, authorizing a Second Amendatory Agreement to the Land Disposition Agreement with Donald J. Gordon, Parcel 714-A(2), Western Addition A-2.

Authorization is requested to execute a Second Amendatory Agreement to the Land Disposition Agreement with Donald J. Gordon for the parcel located on the northwest corner of Van Ness Avenue and Myrtle Street. The LDA was entered into on November 7, 1979. The developer plans to construct a six story steel-frame-concrete commercial/office building containing 27,000 square feet. In April 1981 a First Amendatory Agreement was granted due to the delay caused by the lawsuit brought by Mervyn Goodman, the previous owner of the parcel. Satisfactory evidence of financing was due by July 22, 1981, and although the developer did submit evidence of mortgage financing in accordance with the schedule, it was not deemed satisfactory. Mr. Gordon has now requested an additional six months' time to furnish satisfactory evidence of financing which if granted should be conditioned on the developer's acceptance of a new disposition price. The Schedule of Performance would be revised to require: submission of evidence of financing from July 22, 1981 to February 15, 1982 and conveyance of the site from August 13, 1981 to March 15, 1982.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 345-81 BE ADOPTED.

- (i) Resolution No. 346-81, authorizing for a Rental Agreement with United Engineers, Inc., for the use of Parcel 792-D, near the northwest corner of Grove and Franklin Streets, Western Addition A-2.

Authorization is requested to execute a rental agreement with United Engineers, Inc., for the parcel located near the northwest corner of Grove and Franklin Streets for use as a construction yard and employee parking. United Engineers is the contractor for the Performing Arts Center Garage and has been using the site under the assumption that the air and light easement which was conveyed to the City along the Garage parcel included the land below it. They now have permission to remain on the site on a month-to-month tenancy at a rental rate of \$100 per month retroactive to September 1. This

NEW BUSINESS (continued)

interim use is in conformity with Agency policy and does not affect the development for the site.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 346-81 BE ADOPTED.

- (j) Resolution No. 347-81, authorizing transmittal of proposed Yerba Buena Center Redevelopment Plan Amendments to the San Francisco Planning Commission, Yerba Buena Center.
- (k) Resolution No. 348-81, authorizing transmittal of proposed Yerba Buena Center Redevelopment Plan Amendments to the San Francisco Board of Supervisors, and requesting a Joint Public Hearing, Yerba Buena Center.
- (l) Resolution No. 349-81, approving the addendum to the report on the Redevelopment Plan for the Yerba Buena Center Redevelopment Project, and authorizing its transmittal to the Board of Supervisors, Yerba Buena Center.

Authorization is requested to transmit the proposed Yerba Buena Center Redevelopment Plan Amendment to the Planning Commission and the Board of Supervisors as well as the Addendum to the Report on the Redevelopment Plan, and request the Board of Supervisors consent to a joint public hearing. The YBC Plan was approved in April of 1966 and has been amended five times. The amendment will permit development of housing in the air space over the Parking Garage located on the east side of Third between Howard and Folsom and to incorporate the 49 Fourth Street Parcel owned by GSA, into the YBC Project Area, and designate it for use as "Downtown Retail". In accordance with Redevelopment Law requirements the amendments are to be submitted to the Planning Commission, who has thirty days to complete its report and recommendation and then Public Hearings by the Agency and the Board of Supervisors must be scheduled on the proposed Plan Amendments. It is recommended that this be a joint public hearing to be held about October 19, 1981.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 347-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 348-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 349-81 BE ADOPTED.

- (m) Resolution No. 350-81, authorizing extension of Exclusive Negotiations with the Parking Authority for Parcel 3735-D, Yerba Buena Center.

An extension is requested to extend the Exclusive Negotiations with the Parking Authority until March 15, 1982, for the parcel located

NEW BUSINESS (continued)

on the northwest corner of Third and Clementina Streets, for development of a public parking garage for Yerba Buena Center until March 15, 1982. Exclusive Negotiations were approved in December 1978 with subsequent extensions. The latest ending today was for the express purpose of providing time for the Parking Authority to prepare an acceptable garage design; for the City to perfect its ability to finance the garage, and for the Agency to determine the feasibility of using the air rights above the garage for housing development. The current bond market interest rates are such that no municipal issues can legally be sold because they are limited to paying 10 percent and the current market is approximately 12.5 percent. Park Towers Development has been selected to develop the housing.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 350-81 BE ADOPTED.

- (n) Consideration of authorizing an extension of Exclusive Negotiations with Park Towers for Parcel Air Rights 3735-D(1), northeast corner of Third and Clementina Streets, Yerba Buena Center.

Authorization was proposed to extend the Exclusive Negotiations with Park Towers for development of housing in the air space of the proposed Yerba Buena Center Parking Garage for 360 days, until September 15, 1982; however, the developer found that he was unable to meet the two key conditions of negotiation which are: (1) that he be willing to commit, at his risk, sufficient funds for the cost of strengthening and otherwise changing the garage to enable it to support housing at the point in time when the Parking Authority is ready to proceed with construction; and (2) that a design consultant be added to the developer's design team.

Mr. Harold Moose expressed his appreciation for the Commission's consideration of his proposal and noted that he regretted not being able to proceed.

MOTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE AUTHORIZED TO PURSUE DISCUSSING WITH THE OTHER DEVELOPERS SUBMITTING PROPOSALS FOR HOUSING IN THE AIR RIGHTS OVER THE YBC PARKING GARAGE.

- (o) Resolution No. 352-81, authorization to award Site Improvement Contract No. 5 to Munkdale Brothers, Inc. Yerba Buena Center.

Approval is requested to award Site Improvement Contract No. 5 to Munkdale Brothers, Inc., in the amount of \$169,395 on the basis of low bid received. This contract will provide for the construction of interim improvements around Central Block 2, bounded by Mission, Third, Howard and Fourth Streets. Major work items will include the planting of trees and vines, installing irrigation lines, constructing wood fences, resurfacing sidewalks, constructing

NEW BUSINESS (continued)

jogging path with exercise equipment donated by Perrier (Great Waters of France) and installing miscellaneous site amenities, including a senior citizens exercise area. With the Convention Center opening scheduled for December these interim improvements will enhance the environment for the conventioners and create a compatible theme of open space and gardens that will eventually be developed for this block. Nineteen contractors requested contract documents with two submitting bids which were opened on September 4, with Munkdale submitting the lowest bid of \$169,395. The engineer's estimate was \$171,000. Munkdale is located in Burlingame and has satisfactorily performed work for the Agency on previous site improvement contracts and is currently performing landscaping work on the Moscone Convention Center. Their Affirmative Action and Safety Programs were found generally satisfactory with the exception of the Agency's 25 percent minority business enterprise goal, but the contractor has agreed to work with the Agency to further search such enterprises to meet this goal.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 352-81 BE ADOPTED.

- (p) Resolution No. 353-81, authorizing Helen L. Sause, Project Director YBC, and Harold R. Snedcof, Development Specialist, to travel to Pittsburgh, Pennsylvania October 4-7, 1981, to attend a National Endowment for the Arts Conference.

Authorization is requested for Helen Sause, Project Director for Yerba Buena Center, and Harold Snedcof, Development Specialist, to travel to Pittsburgh, Pennsylvania, October 4-7 to attend a National Endowment for the Arts Conference: "The Arts Edge: Places and Spaces for the Arts in Civic Economics." YBC has been selected as one of the conference's four principal workshops. Joining: "Mrs. Sause and Mr. Snedcof on the panel will be Ron Soskolne from Olympia York; William Fleissig from Morrish and Fleissig; and Brenda Berlin, representing the San Francisco arts community, which has given so much time to the cultural planning process. The Arts Endowment views the Agency's effort in YBC cultural planning process as a model which other cities might follow as they plan mixed-use developments. Knowledge gained from this experience will also assist the Agency and its negotiating team in structuring the sections of the LDA dealing with the cultural component for the YBC Central Blocks. Total cost to attend this conference is \$1,598 and in extending the invitation, NEA has agreed to pay \$972, leaving \$630 to be paid by the Agency.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 353-81 BE ADOPTED.

- (q) Resolution No. 354-81, authorizing reimbursement for up to six Agency Commissioners for travel and related expenses for travel to Toronto, Canada.

NEW BUSINESS (continued)

Authorization is requested to reimburse an amount not to exceed \$4,800 to cover travel cost for up to six Commissioners to travel to Toronto, Canada to view examples of the work of the development team for the YBC Central Blocks. This is necessary to the Commissioners as background information as an excellent example of mixed-use development. The quality of the design and development is best understood by seeing it. Three Commissioners have already taken the trip and three others are planning to go to Toronto before the O & Y alternate concepts are considered at the meeting of October 6, 1981.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 354-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 7:00 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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9/15/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 15TH DAY OF SEPTEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 7:00 p.m. on the 15th day of September 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President
- Melvin D. Lee, Vice President
- H. Jesse Arnelle
- Dian Blomquist
- Leroy King
- Haig G. Mardikian
- Walter S. Newman

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and the following was absent:

None

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; and Helen L. Sause, Secretary.

NEW BUSINESS

- (a) Legal action filed by Consumer Action Agency against the San Francisco Redevelopment Agency concerning the Yerba Buena Center Central Blocks Development.

In response to Mr. Hamilton's request, Mr. Borregard indicated that a suit had been filed by the Consumer Action Group on September 10, 1981. He noted that although the return date for the suit was not timely (a hearing is scheduled for September 17, 1981, and Agency was entitled to have until September 21 to respond) the Agency agreed to the September 17 date. The suit pertains to the question of release of information in connection with the Central Blocks development of YBC. Consumer Action has requested the Agency to release its document for public inspection. Mr. Borregard reported that the response which has been filed listed approximately 350 documents and some additional files which will be reviewed. The hearing would be held this Thursday morning. He reported that he believed the documents being withheld were retained on a sound basis and were essentially in the following categories: those that dealt with appraisals and land value, those dealing with negotiating strategy and the documents which were privileged as a result of lawyer/client relationship.

NEW BUSINESS (continued)

In response to Commissioner Blomquist's inquiry, Mr. Borregard indicated that, for example, lawyers have privilege to protect legal opinions, material that they have prepared or have had prepared at their request. He noted that there was also a principle of protecting public documents that were in draft form and that the Freedom of Information Act on which the State law is based has a concept that material can be withheld because it is necessary to protect the free discussion of consultants and their clients.

Mr. Borregard indicated that the matter would be heard before Judge Ira Brown but he did not know whether it would remain in Judge Brown's Court. He noted that the response was approximately 80 pages in length and he would be pleased to make copies available to the Commissioners. He also commented on the extensive time of staff and outside Counsel that had been involved in preparing the documents. He also noted that a third request has now been received from Consumer Action for records.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:05 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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1/2/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF SEPTEMBER, 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of September, 1981, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Ben Stewart, Western Addition Project Area Committee (WAPAC); Sue Hestor, Consumer Action; Kenny Johnson, South Park; Thomas Lee, Arcon/Pacific, Ltd.; Rob Rutan, Lee Knight and Greg Hurst, Chamber of Commerce; Keith Eickman, ILWU #6; Cynthia S. Hibbard, Environmental Science Associates; Bette Landis, Open Space Adm. Committee; Agnes Albert, Shanghai-SF Friendship; O. Finn and William Wu, Chinese Cultural Center; Stephen Andrews, Senior Citizens Group; Michael McGill, San Francisco Planning and Urban Research (SPUR); Jack Crowley and Joan Crowley, AFL-CIO; Isabel Ugat, South of Market Community; Charles Lamb, Hotel and Bartenders Union; Hal Cruzan, Clementina Towers; Leland Meyerzove, District Council No. 5; Stan Smith, San Francisco Bldg. Trades; Bradford Paul, San Francisco Tomorrow; H. Grant DeHart, Heritage; Charles Slutzkin, Humboldt Bank Building; John Elberling and Linda Hallen, SOM Consortium; Peter C. Brown, Fisherman's Wharf Merchants Association; Kathleen Connell, South of Market Food Co-op; Michaela Cassidy, YBC Cultural Planning Steering Committee; Rev. J.R. Richardson; Baptist Pastor Council; Gabriel Sheridan, Victorian Alliance; Alice Krasinski and Florentino Ramirez, South of Market Fil-Am Alliance; Christopher Martin, The Cannery; Mary Ann Aronson, League of Women Voters; S.B. Aronson, Probono; Jeanne Z. Brooks, M.E.D.A.; Joseph Berger, Marina Nursery; John S. Sickles, General Administration Services; Michael S. Valo, TODCO; Anderson Butler, Nob Hill Neighbors; Roland Aberg, Carol Bergren and John Markham, Perry Burr & Associates; Emrick A. Zabala, Fil-Am S.M. and EOC; Bruce E. Wodfel, B.L. Habert, George Hawxhurst, Ross A. Jones, Violet English, Lawrence Mittelstadt, Barney Gould, J. Robert, Lenore Fifer, S. Taft, Richard Gryziec; Shirley Jones, Jerry Levin, David Ancore, Kenneth Willock, Robert Myers, Charles Lester, Ronald Williams, Peter Mezey, Walter Johnson, Myra Luckman, Peter Mendeluk, Jerry Petruzzelli, Ellen Roberts, Merrill Budlong, Myron Garlund, Derick Dursl, T.J. Mellon, Sue Bierman, Joe Peretti, Michael Levin, Bonnie Hoffman, Kenny Johnson and Kirk Miller, interested citizens; and members of Olympia and York and the Design Panel.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Dave Mitchell, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of a Closed Session of September 15, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Joint Public Hearings with the Finance and Planning, Housing and Development Committee on the 1982 Community Development Program have been continued until 10 a.m., October 13, 1981 and it is expected that the program will be before the Board of Supervisors that afternoon.
- (b) The Parking Authority has granted a 30-day extension to the Agency for the air rights over the Performing Arts Center Garage in order to provide time to resolve several issues concerning the proposed construction of housing above the garage.
- (c) The reappointment of President Berk will be before the Rules Committee on Thursday, September 24, 1981.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the conveyance of Air Rights, Parcel 792-A(1), northeast corner of Grove and Gough Streets, Western Addition A-2. (Continued from September 15, 1981.)

Resolution No. 343-81 authorizing a Land Disposition Agreement for the Air Rights, Parcel 792-A(1), approving Disposition Value and Ratifying publication of Notice of Public Hearing, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week. There being no objection, it was so ordered.

- (b) Public hearing to hear all persons interested in the proposed substitute Land Disposition Agreement for Parcel 743-A, Western Addition A-2.

Resolution No. 355-81 authorizing a substitute Agreement for Disposition of Land with Eddy Place Associates for Parcel 743-A, approving the Disposition Value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed substitute Land Disposition Agreement for Parcel 743-A, Western Addition A-2.

Authorization is requested to enter into a substitute Land Disposition Agreement (LDA) with Eddy Place Associates for the parcel located on the south side of Eddy between Van Ness and Franklin Streets in the Western Addition A-2.

NEW BUSINESS (continued)

Exclusive Negotiations were granted in September 1980 for development of 10,000 square feet of office space and four condominiums. In May 1981 executing an LDA was authorized, however, it was then determined that the 18-month life of the disposition price had expired and new appraisals were needed. These were received in July 1981, but because the physical constraints of the site had not been considered in the appraisal, it was necessary to obtain revised appraisals which were received in August. The developer has accepted the increase in price of this parcel. The developer plans to use SB-99 financing for both the office and residential portions and regarding this an inducement resolution was approved in November 1980. The developer, staff, and Bond Counsel continue to work for the possible use of this mortgage revenue bond program. The price of the parcel is now \$103,050. The original price was \$52,500 and the new LDA performance schedule is revised to: Submission of Evidence of Financing from March 9, 1982 to July 23, 1982; Commencement of Construction from May 9, 1982 to October 23, 1982; and Completion of Construction from July 1983 to December 1983. There being no further persons wishing to speak on this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 355-81 BE ADOPTED.

- (c) Resolution No. 356-81 authorizing execution of a Rental Agreement for the purpose of providing access to Agency-owned land located at the northeast corner of Howard and Fourth Streets, Block 3723; Yerba Buena Center.

Authorization is requested to enter into a rental agreement with R & W Concrete Co., Inc. who will construct improvements necessary for use of the land as interim off-street parking for the Moscone Convention Center. The contractor will be hired by the City to construct the improvements and then staff will recommend entering into a lease agreement with the management firm for the Convention Center, Facilities Management, Inc., to operate and maintain the parking lot on an interim basis. The Convention Center, which is expected to open by December 1, 1981, needs parking until the YBC Garage is completed. The parcel to be used is located at the northeast corner of Fourth and Howard in Central Block 2. It is also recommended that no rent be charged during this construction period but the appropriate insurance will be provided by the contractor. This work will be coordinated with the other site improvements to be made in Central Block 2, all of which will enhance the area around the Convention Center.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 356-81 BE ADOPTED.

Mrs. Mary Rogers, President of Western Addition Project Area Committee (WAPAC), inquired about the rental of the property and Mr. Hamilton indicated that a rental agreement would be calendared for the Commission's consideration within a short time.

- (d) Resolution No. 357-81 authorization to request extension of termination date of Social Security (Old-age survivors, Disability and Health Insurance) Agreement with the State of California.

Approval is requested to ask for a one-year extension of the termination

NEW BUSINESS (continued)

of Social Security Coverage for Agency employees through December 31, 1982. In November of 1979, you approved giving a two years' notice to Public Employees' Retirement System of the intent to terminate Social Security Coverage for Agency employees. Forwarded to the Commission in May was a copy of a report by our consultant William Mercer who recommended remaining with Social Security because projected dollar savings to existing staff, as a group, were modest and some benefits could not be replaced. Meetings have been held with union representatives and employees to discuss the report. These discussions also concerned the Reagan Administration's proposals for reduction of benefits and the publicity on the financial shortcomings of the Social Security System. There is concern among some staff about remaining in the System. Staff believes a one-year extension should be requested to further study the question of withdrawal and a substitute benefit replacement package for continued study of withdrawal and development of a benefit replacement program will be provided for Commission consideration.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 357-81 BE ADOPTED.

- (e) Resolution No. 358-81 authorizing amendment to Resolution No. 198-81 adopted June 2, 1981 establishing classifications of positions and compensation for Agency staff.

Authorization is requested to amend the Salary Resolution to add a new classification of Financial Analyst. With the appointment of Harold Bell to Deputy Executive Director, Finance and Administration, effective October 1 and Mrs. Hale's retirement, restructuring of the fiscal department will be necessary. Staff believes an experienced financial analyst is needed to conduct budgetary analysis and review, prepare financial projections on revenues and expenditures, develop new purchasing procedures and coordinate vendor selection. There is no current appropriate job classification for this role and the addition of the classification of Financial Analyst, which has the closest City classification in terms of duties and level of responsibility with that of Associate Budget Analyst. The salary range of \$1008 to \$1220 biweekly appears appropriate in terms of internal salary comparisons.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 358-81 BE ADOPTED.

- (f) Resolution No. 359-81 authorizing Wilbur W. Hamilton, Executive Director, and Helen L. Sause, Project Director, Yerba Buena Center, to travel to Colorado Springs, Colorado to attend NAHRO's 1981 National Convention, October 25-28, 1981.

Authorization is requested for Wilbur W. Hamilton and Helen L. Sause to travel to Colorado Springs, Colorado to attend NAHRO's National Convention being held October 25-28. Mr. Hamilton will be attending in his capacity as a member of the National Board of Governors, past President of PSWRC; and Mrs. Sause will be attending in her capacity as a member of the Board of Governors and Regional Vice President of Community Revitalization and Development Committee. Conference subject matters will include matters involving the effect that major Federal investments and facilities can

NEW BUSINESS (continued)

have on a city's housing programs and community and economic development activities, cutting operating costs and developing local housing and community development strategies. Cost to the Agency for registration, air fare and related expenses will not exceed \$2,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 359-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of Issues relating to the LDA with Arcon/Pacific, Ltd., Parcels 3706H and 3706H(1), Yerba Buena Center.

Mr. Borregard, Agency General Counsel, indicated that in order to allow Arcon/Pacific, Ltd., to finalize evidence of financing all documents were to be received in draft form on Friday, September 18, 1981 and staff recommends reducing the time for reviewing such final documents from 10 days to such date and time prior to the proposed conveyance date of September 28, 1981 that the Executive Director in his discretion may determine. In addition, an Estoppel Agreement has been requested by the developer's construction lender, Societe Generale, a French Bank New York office. The lender has indicated it desires such comfort in order to close the construction loan and since it is imperative that the loan be closed on or before September 28, 1981, in order to meet the Arcon/Pacific, Ltd. final conveyance date of September 28, 1981 it is recommended that such a letter be issued.

Authorization to amend Resolution No. 225-81 adopted June 9, 1981, Resolution II, Exhibit A and ratifying staff's reduction of the time for submittal of evidence of financing required from 10 days prior to conveyance to such date and time prior to conveyance and that the Executive Director in his discretion may determine but not beyond the conveyance date and time and authorizing the Executive Director to execute an Estoppel Agreement as lodged with Agency General Counsel.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ISSUES RELATING TO THE LDA WITH ARCON/PACIFIC, LTD. FOR PARCELS 3706H and 3706H(1) BE ADOPTED.

President Berk announced that the meeting would be recessed to a Closed Session to consider matters concerning litigation and would reconvene at 5:30 p.m. for the Workshop on the Alternate Concepts for the development of the Central Blocks of Yerba Buena Center. The meeting recessed at 4:50 p.m. and reconvened at 5:30 p.m. with the same roll call.

NEW BUSINESS (continued)

- (g) Workshop on the Alternate Design Concepts for the Central Block's development of Yerba Buena Center.

Mr. Hamilton introduced this item and gave a brief history of the process and introduced Messrs. Ron Soskolne, Project Manager, O&Y Equities, Eberhard Zeidler, Lawrence Halprin, and Joe Madonna of the development team who gave presentations on the different aspects of the design concepts. The Agency's Design Panel was then introduced: Rai Okamoto, Tom Aidala, and Hideo Sasaki. Mr. Okamoto also gave a presentation on the criteria the panel has considered in reviewing the design concepts.

NEW BUSINESS (continued)

President Berk then introduced the Commissioners and invited the public to comment on this item in the order of the sign up sheets.

An extensive public comment followed regarding the three concepts. The speakers indicated their preference of one of the three concepts and commented on the inclusion of housing in the Central Block 2. Michael McGill, San Francisco Planning and Urban Research; Rob Rutan, San Francisco Chamber of Commerce; Peter Mezey, Charles Lamb, President of the Hotel and Bartenders Union; Jerry Petruzelli, Hal Cruzan, Clementina Towers; Leland Meyerzove, District Council No. 5; Merrill Budlong, Stan Smith, San Francisco Building Trades; Bradford Paul, San Francisco Tomorrow; William Wu, Chinese Cultural Center; Grant DeHart, Heritage Foundation; Leonore Fifer; Charles Slutzkin, Piero Patri, Humboldt Bank Building; Viola English, Clementina Towers; Richard Gryziec; Roger Whitney; John Elberling, South of Market Consortium; Thomas Mellon; Peter Brown, Fisherman's Wharf Merchants Association; Nan Park, YBC Cultural Planning; Sue Bierman; Joe Perretti; Enrica Zabala, Fil-Am Assoc.; Michael Levin; Kathleen Connell, South of Market Food Co-op; Florentino Ramirez, Fil-Am South of Market Neighborhood Assoc; Gabriel Sheridan, Victorian Alliance; Kenny Johnson, South Park; and Sue Hestor, Consumer Action.

Mr. Hamilton then indicated that in three weeks the Scope of the Environmental Impact Report (EIR) will be available for public review and comment, which will include an evaluation of retail on Central Block 1, parking, and the housing aspects of the development. He also noted that a Plan change was in process to include the General Services Administration (GSA) property in the project and to permit housing on the YBC parking garage would be heard in a joint session by the Board of Supervisors and the Redevelopment Agency on October 26. He also reminded everyone that designation of a preferred design concept would be considered by the Agency Commission on October 6.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:50 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

APPROVED

September 29, 1981

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9/29/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF SEPTEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 29th day of September, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President
- Melvin D. Lee, Vice President
- H. Jesse Arnette
- Dian Blomquist
- Leroy King
- Haig Mardikian

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and the following was absent:

Walter S. Newman

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers, M. J. Smedly, Benny Stewart, Western Addition Project Area Committee (WAPAC); Steve Parliament, John Stewart Company; Tom Smith, Anchor Pad; and Arnold Townsend, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle and Mireya Navarro, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of September 22, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Arnette, and unanimously carried that the minutes of a Closed Session of August 4, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Executive Director Wilbur W. Hamilton will join the meeting at a later time.
- (b) On September 28, 1981, the Arcon/Pacific transaction closed and construction of the hotel will begin immediately. The Agency has received a check for Land Sales in the amount of \$2,800,000 from the developer and it is now in the hands of the Fiscal Division.

UNFINISHED BUSINESS

- (a) Resolution No. 340-81 authorizing exclusive negotiations with Catalyst Financial Corporation for Parcels 728-N, 748-B, 1127-F, and 1129-O, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for two weeks at staff request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the conveyance of Air Rights Parcel 792-A(1), northeast corner of Grove and Gough Streets, Western Addition A-2 (continued from September 22, 1981).

Resolution No. 343-81 authorizing a Land Disposition Agreement for the Air Rights, Parcel 792-A(1), approving Disposition Value and Ratifying publication of Notice of Public Hearing, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week. There being no objection, it was so ordered.

- (b) Resolution No. 360-81 authorizing an extension of exclusive negotiations with Yerba Buena Foundation for Parcel 728-A, E and J, southwest corner of O'Farrell and Scott Streets, Western Addition A-2.

Authorization is requested to extend exclusive negotiations with Yerba Buena Foundation for 120 days. The developer proposes to build 72 partially subsidized, limited equity cooperative housing units on the parcel located at the southeast corner of O'Farrell and Scott Streets. In June, 1981, the original Land Disposition Agreement (LDA) for this parcel was terminated and exclusive negotiations were authorized for 90 days with the same developer for a slightly reduced development and a different method of financing. The land disposition price is a major factor in the feasibility of the development and staff and the John Stewart Company, the developer's consultant, are working with the Department of Housing and Urban Development (HUD) to establish the eligibility of the parcel for a write down of the land valuation to the \$500 per unit price necessary to make the development feasible. As an alternative to SB-99 financing, the John Stewart Company is also working on an application for financing through the Federal National Mortgage Association. If SB-99 financing is used, the development must comply with the provisions of the recently enacted Mortgage Subsidy Bond Tax Act of 1980. The Agency bond counsel's work on this possible funding source is complicated by the fact that Federal regulations implementing the act have not yet been issued. The conditions of the State's offer of long term deep subsidy financing for 40 per cent of the units is that below market interest rate financing be made available, and tandem financing or SB-99 appear to be the only ways to meet this requirement. This extension is necessary to pursue financing alternatives for the development. Your approval of this extension is recommended.

Mr. Steve Parliament, John Stewart Company, commented on the reason for the development's delays and how they were proceeding to get the project going as soon as possible. He also outlined the tandem funding mechanism in response to Mr. Arnelle's inquiry.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED TO ADOPT RESOLUTION NO. 360-81.

NEW BUSINESS (continued)

- (c) Resolution No. 361-81 authorizing an advertising expenditure for marketing the remaining land inventory, 20 acres, India Basin Industrial Park.

Authorization is requested to establish a \$4,000 advertising budget for the purpose of marketing the remaining parcels in the India Basin Industrial Park land inventory. A Policy to use direct negotiations to market the land in this project was established to provide for maximum flexibility to meet the demands of industrial users for site size and location and the agency criteria of achieving a minimum of 20 jobs per acre. Staff is currently working with several developers who are either under LDA or are negotiating development agreements, however, it is anticipated that it may be necessary to advertise the availability of land for light and medium industrial development. The advertisements will be in the business/finance page of the San Francisco Examiner/Chronicle, the Wall Street Journal and the San Francisco Business Journal.

Ms. Blomquist indicated this was a great idea, one that was being pushed four or five years ago, and she was very glad to see this happen.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 361-81 BE ADOPTED.

In response to Mr. Lee's inquiry, Mr. Don Boykin, Business Development Specialist, indicated that respondents to the advertisement would be used as a resource list for either land not now under negotiation or in case the present negotiatee drops out. In reply to Mr. Arnelle's inquiry, Mr. Boykin read the advertisement that would be published.

- (d) Resolution No. 362-81 authorizing exclusive negotiations with Forest Dillon, Inc. for Parcel Air Rights 3725-D(1), northeast corner of Third and Clementina Street, Yerba Buena Center.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (c) would be continued for one week at staff request. There being no objection, it was so ordered.

- (e) Resolution No. 363-81 authorizing a Rental Agreement with Arcon/Pacific, Ltd. for the use of Agency-owned land, Yerba Buena Center.

Authorization is requested to enter into a rental agreement with Arcon/Pacific Ltd. for use of a parcel in Yerba Buena Center which is located on Third Street between Mission and Stevenson and is adjacent to the Arcon/Pacific Hotel site. This site will be used as a construction yard, and to excavate access to build the foundation and subsurface portions of the hotel. The contractor will use this site for approximately 20 months at a rate of \$1,320 per month with the requirement they restore it to a condition specified by the Agency. This site is part of the Central Blocks development, and it is not anticipated it will be needed by the developer during this time. The rental agreement can be terminated if necessary with a 30-day notice.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 363-81 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 364-81 authorizing a contract for Legal Services with Joseph Coomes, Yerba Buena Center.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (c) would be continued for one week at staff request.

- (g) Resolution No. 365-81 authorizing a First Amendment to the contract with Rogers, Vizzard and Tallett for condemnation consultation services, Rincon Point-South Beach

Approval is requested of a first amendment to the contract for legal services with Rogers, Vizzard and Tallett in an amount not to exceed \$5,000. These services are in connection with condemnation of real property in the Rincon Point-South Beach Area. Their services were obtained in January, 1980 and have been used for condemnation advice, research and consultation. The original contract amount of \$5,000 has been expended and an additional \$5,000 is needed to cover present and anticipated services. Rogers, Vizzard and Tallett have a thorough knowledge of the Agency's programs and policies, provide excellent service, and their rates are very reasonable for the specialized legal services they provide. They have also hired a minority attorney to assist them in providing these services to the Agency.

In reply to Mr. Arnette's inquiry, Mr. Earl Mills, Deputy Executive Director, Community Services, indicated that the minority attorney was Alice Beasley.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 365-81 BE ADOPTED.

- (h) Resolution No. 366-81 approving a contract with Jane P. Hale for professional services

Approval is requested of a Personal Services Contract with Jane P. Hale for consultation on fiscal and administrative matters for six months starting October 1 in an amount not to exceed \$15,000. Mrs. Hale is retiring after 22 years with the Agency and while her replacement is knowledgeable and competent, there may be a need for her assistance and experience during a six-month transitional period.

Mrs. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), indicated her support of this item.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 366-81 BE ADOPTED.

- (i) Consideration of the election of Harold Bell as Treasurer of the Agency.

It is recommended that Harold E. Bell be elected to serve as Treasurer of the Agency. This office has been held by Mrs. Jane Hale for several years and with her retirement a replacement is needed as of October 1. "The Treasurer of the Agency," as stated in the Agency's bylaws, "shall have the care and custody of all funds of the Agency and shall deposit them in the name of the Agency with the Treasurer of the City and County of San Francisco or in such bank or banks, as the Agency may select."

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT HAROLD E. BELL BE ELECTED TREASURER OF THE AGENCY.

NEW BUSINESS (continued)

- (j) Consideration to purchase from Anchor Pad of Northern California, Inc. security provisions for electrical typewriters.

Authorization is requested to purchase and install security devices to deter the theft of typewriters in an amount not to exceed \$2,840 plus tax. Over the Memorial Day weekend six IBM Selectric Typewriters were stolen with the insurance only covering \$4,002 of the original \$4,464 cost. At that time replacement costs would have been \$5,706. Different types of devices have been investigated and staff feels that only Anchor Pad Security Locks appear to be effective. Since typewriters now cost \$951 each, even at Government prices and can be anticipated to increase, the expenditure of \$88.75 is advisable to secure each of the Agency's 32 newer typewriters purchased since 1975.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT SECURITY PROVISIONS BE PURCHASED FROM ANCHOR PAD OF NORTHERN CALIFORNIA, INC.

- (k) Resolution No. 367-81 authorizing a Second Amendment to the Agreement for Legal Services with the Law Firm of Dinkelspiel, Donovan and Reder, all Redevelopment Project Areas.

Authorization is requested to execute a second amendment to the legal services contract with the firm of Dinkelspiel, Donovan and Reder in an amount not to exceed \$50,000 for all redevelopment project areas. This firm has been providing excellent service under this contract since June 1980 on a wide variety of issues. They have demonstrated the capacity and flexibility to respond to the Agency's need for legal services on very short notice and at rates that are fair and reasonable. Individuals in the firm have prior experience in working with the Agency and have acquired a good working knowledge of the program and procedures and of redevelopment law. The original contract amount of \$25,000 has been expended and the services are needed on a continuing basis.

Mrs. Mary Rogers, WAPAC, indicated concerns with the firm's Affirmative Action program expressing her belief that they had not implemented a program. She inquired about the Agency's plans to correct this problem. Discussion followed on the firm's program and Earl P. Mills, Deputy Executive Director, Community Services, indicated that the program has been found acceptable. Mr. Lee indicated that staff should devise a method to monitor consultant contracts. Ms. Blomquist requested information on the expenditures made since the beginning of 1981 for legal services and Mr. Borregard, Agency General Counsel, indicated those would be provided.

Mr. Arnette indicated that he was not pleased with Dinkelspiel's program and would vote against the amendment and urged staff to be more aggressive in such contracts. Mr. Mills concurred with Mr. Arnette's concerns and indicated that staff would further analyze the information from Dinkelspiel. Mr. Kernan, Acting Executive Director, then suggested that this item be held over to obtain further information.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (k) would be continued for one or two weeks as needed to further evaluate this firm's affirmative action program. There being no objection, it was so ordered.

MATTERS NOT APPEARING ON AGENDA

Approving and ratifying foundation addendum agreement and extensions of escrow closing time and authorizing granting of an easement all in conjunction with the sale of Parcels 3706-H and 3706-H(1) to Arcon/Pacific, Ltd., Yerba Buena Center.

In order to complete the closing of escrow for Parcels 3706-H and 3706-H(1) in Yerba Buena Center (YBC), the following actions are necessary and authorization is requested to implement them: (1) approving and ratifying the foundation addendum agreement dated September 28, 1981, in the form executed by the Agency and by Arcon/Pacific, Ltd., and consented and agreed to by TAG Houston Hotel Corporation N. V. and by Pioneer Industries (Holdings) Ltd. H. K.; (2) authorize a nonexclusive egress easement over Agency property to the south of the Arcon/Pacific, Ltd. hotel site of a width required by the City and County of San Francisco, but not to exceed 20 feet, to provide egress from an exit on the south side of the Arcon/Pacific, Ltd. hotel to Third Street on the east and to the Arcon/Pacific pedestrian plaza to the west of the hotel. The precise location of the easement to be determined by the Agency; and (3) approving and ratifying the extension of escrow closing and conveyance time from 5:00 p.m. September 28, 1981, to accommodate execution of documents.

At this time, Mr. Hamilton joined the meeting.

Mr. Lyman Jee of Arcon/Pacific thanked the Commission and indicated that construction would start immediately and later there would be a ground breaking celebration which would include the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT FOUNDATION ADDENDUM AGREEMENT AND EXTENSION OF ESCROW CLOSING TIME AND EASEMENT ALL IN CONJUNCTION WITH THE SALE OF PARCELS 3706-H and 3706-H(1) TO ARCON/PACIFIC, LTD., YERBA BUENA CENTER BE APPROVED.

Mr. Hamilton indicated that it was the last meeting which Jane P. Hale would attend as an Agency staff member as she was retiring from the Agency after 22 years of service. He stated that she had provided outstandingly competent professional services to the Agency and had made a major contribution to the Agency's programs.

Mrs. Hale indicated that her years with the Agency had been a great experience, that she had served under a number of directors and commissioners, but believed the last of these were one of the best and expressed her appreciation for their recognition and support. She indicated that she would miss being a part of the Agency, but also looked forward to retirement. She indicated the Commission had exercised superb judgment in the selection of Mr. Bell as she felt him competent and trustworthy.

Mrs. Berk indicated that the Commission wished to have a suitable resolution prepared to note the retirement of Mrs. Hale and the esteem with which they held her.

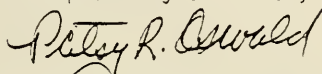
MATTERS NOT APPEARING ON THE AGENDA (continued)

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY ENDORSED TO PREPARE A RESOLUTION COMMENDING MRS. HALE ON HER YEARS OF SERVICE AND CONTRIBUTION TO THE AGENCY'S PROGRAM.

ADJOURNMENT

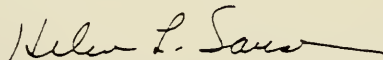
It was moved by Mr. Arnelle, seconded by Mr. King, and unaniously carried that this meeting be adjourned in honor of Mrs. Jane P. Hale. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Assistant Agency Secretary

Edited by,



Helen L. Sause
Agency Secretary

APPROVAL

October 6, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF OCTOBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th of October, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

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None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Chas Lam, Hotel Workers; George Kirkland, Visitors and Convention Bureau; Bob Rutan, Chamber of Commerce; Judith F. Wilbur and Hans Schiller, Asian Art Commission; Sue Hestor, Consumer Action; Stan Smith, San Francisco Building Trades; Isabel Ugat and Linda Hallen, South of Market Alliance; W. Regan, University of San Francisco; Sal Rosselli, SEIU Local 9; Michael Hardeman, Sign-Display #510; Germaine Wong, Chief Administrative Offices; L. Smith, Mr. Shakra and Diane Hull, Local 2; Leland S. Meyerzoe, District Council #5; Alice Krasiaski, South of Market Phil-Am Alliance; Al Williams, Pacific Management System; Enrica A. Zabala, EOC; Rosevelt and Althea Carrie, R. Carrie Insurance Agency; M.J. Stagmatis, Western Additional Neighborhood Association (WANA); Mary Rogers and Melvina Smedley, Western Additional Project Area Committee (WAPAC); Bonnie Neffman, Anne Halsted, Doris Kahn, D. Engmann, Violet English, Richard Gryziec, Sue Biereman and Howard Wexler, interested citizens and others.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Alan Tempko, San Francisco Examiner; and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meetings of August 20, 1980, September 11, 1980 and November 25, 1980, as distributed by mail to The Commissioners, be approved.

It was moved by Ms. Blomquist, seconded Mr. King, and unanimously carried that the minutes of the regular meeting of October 28, 1980, as distributed by mail to The Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Mr. Lee, seconded Mr. King, and unanimously carried that the minutes of the regular meeting of September 29, 1981, as distributed by mail to The Commissioners, be approved.

It was moved by Mr. Lee, seconded Mr. King, and unanimously carried that the minutes of the closed session of September 22, 1981, as distributed by mail to The Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Arcon/Pacific, Inc. will hold the official ground breaking for the 700-room hotel on Third Street, Thursday, October 15, 1981 at 4 p.m. Work has started on the site.
- (b) The injunction filed by Hilda Cloud, Senior Citizens Housing Development Corp., on the Performing Arts Center Garage, is to be heard on Thursday, October 8, 1981.
- (c) Escrow closed on the last two buildings in Victorian Square on October 1. The purchasers are the Richardson's and Ritz'. The Agency no longer owns any buildings in Victorian Square.
- (d) The 1982 Community Development Budget will be heard on October 13 by the Finance Committee and the Planning, Housing and Development Committee at 10 a.m. and then by the Board of Supervisors at 2:00 p.m. the same day.
- (e) President Charlotte Berk was confirmed by the Board of Supervisors at the meeting on October 5 and it is expected she will be sworn in in the near future.
- (f) The Plan Amendments for the Western Addition A-1 and Yerba Buena Center are to be considered at the Planning Commission's meeting Thursday, October 8. The Joint Agency and Board of Supervisors hearings on the A-1 Plan Amendment will be held October 19 at 4:00 p.m. and the Yerba Buena Center Plan Amendment will be held October 26 at 4:00 p.m. both in the Board of Supervisors' Chambers at City Hall.
- (g) The Consumer Action suit brought against the Agency was decided in the Agency's favor today. Consumer Action had petitioned for a writ of mandate to compel disclosure of documents relating to the Yerba Buena Center negotiations between Olympia and York and the Agency. The Agency argued that disclosure would harm the public interest by comprising the Agency's ability to secure the most favorable terms possible for the people of San Francisco. The matter heard by Judge Ira Brown of the San Francisco Superior Court denied the writ and awarded costs to the Agency.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the conveyance of Air Rights Parcel 792-A(1), northeast corner of Grove and Gough Streets, Western Addition A-2. (Continued from September 29, 1981)

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 362-81, authorizing Exclusive Negotiations with Forest Dillon, Inc. for Parcel Air Rights 3725-D(1), northeast corner of Third and Clementina Streets, Yerba Buena Center.

Authorization is requested to enter into Exclusive Negotiations with Forest City Dillon, Inc. for development of housing in the air rights above the Yerba Buena Center Parking Garage until February 16, 1982. Forest City Dillon will develop 122 housing units with 12 of those priced for middle income households. The design features the use of a portion of the Third Street facade of the garage for housing, which will enhance the visual impact of the garage. The development schedule has been agreed upon by staff, the Parking Authority and the Developer and appears to be realistic. It requires that by July 1982 the financing will be secured for the housing; the garage is to be completed by July 1983 with the construction of the housing to commence at that time and be completed one year later in July 1984. The developer has deposited \$155,000 with an additional \$32,000 to be deposited within 10 days which in addition to \$70,000 contributed by the Parking Authority, will cover the costs of designing a garage that can be built with or without housing. If the air rights price exceeds \$15,000 per unit or after the preliminary design concept phase the project appears infeasible, the developer must decide between November 1 and November 16 whether to continue and if not will be liable for \$80,000 in design fees. The Parking Authority architects indicate that such a decision would not delay the garage. The developer must also make a firm financial commitment to pay the cost of strengthening the garage within ten days after completion of working drawings and cost estimates, and if permitted by HUD, the Agency will reimburse the developer 50% of his design costs upon conveyance of the property. If the developer withdraws before committing funds to strengthening the garage, he may be reimbursed if the air rights are sold to another developer.

Mr. Lee and Ms. Blomquist expressed concern that the Agency have more assurance that Forest City Dillon not be allowed to withdraw and that the housing will be built. Mr. Stolof indicated the developer would lose \$80,000 if they withdraw and this was the best assurance he believed the Agency could obtain. He also noted that the Agency will own the plans so they could be used with another developer. Mr. Newman expressed concerns about the number of parking spaces, design of the building and its acceptance by the Parking



UNFINISHED BUSINESS (continued)

Authority and Mr. Stolof indicated that the spaces were the same number as originally proposed and that the Parking Authority had accepted the preliminary drawings. The design will be refined and shown to the Commission at a later date for their information. Ms. Blomquist indicated support for the housing above the garage, but expressed continued concern that the developer would proceed. Mr. Hamilton indicated that this was a difficult and complex development but believed this was the best chance the Agency had to produce this housing. He also noted that the developer had made a substantial deposit. In reply to Mr. Newman's inquiry, Mr. George Jones, Vice President of Forest City Dillon indicated 122 units were proposed, composed of 32 one-bedroom and 90 two-bedroom units, and the proposed prices are not yet established to reflect the moderate income program. In reply to Mr. Arnell's inquiry, Mr. Jones explained it was a financial risk and indicated they were the only developer who had put up any money. Mr. King commented that the Commission had wanted housing in the air rights and he believed staff had done a good job of working out the program for developing the housing.

ADOPTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. LEE THAT RESOLUTION NO. 362-81 BE ADOPTED, AND ON CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Arnelle
Ms. Blomquist
Mr. Newman
Mr. King

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Mardikian

Mr. Mardikian indicated that he fully supported the concept but abstained because of concern that he may have a possible conflict of interest as a result of an association with one of the participants on another project.

- (c) Resolution No. 364-81, authorizing a contract for Legal Services with the Law Firm of McDonough, Holland and Allen, Yerba Buena Center.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (c) would be continued for one week at staff request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcel 683-D(2), 2075-2089 Sutter Street, Western Addition A-2.

Resolution No. 369-81, authorizing a Land Disposition Agreement for rehabilitation with Roosevelt Carrie and Althea K. Carrie for the Parcel 683-D(2), approving Disposition Value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the conveyance of Parcel 683-D(2), Western Addition A-2.

Authorization is requested to enter into a Disposition Agreement with Roosevelt and Althea K. Carrie for purchase and rehabilitation of 2075-89 Sutter Street. Mr. Carrie has operated his business, The R. Carrie Insurance Co., on the ground floor of 2081 Sutter for over 20 years in this three-story, wood-frame building, which has ground floor retail and commercial space with two floors of office space above. Mr. Carrie will rehabilitate the building for its present office and commercial use with minimum disruption to the present tenants. One of the tenants, the NAACP, had also expressed an interest in becoming the developer, but withdrew and will continue to rent space after rehabilitation at a below market rate. The schedule of performance requires submission of financing by April 1982 and conveyance of the building by May 1982. WAPAC has reviewed and endorsed this proposal.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 369-81 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the Third Amendatory Agreement for Parcel 743-B(2) located on the northwest corner of Franklin and Turk, Western Addition A-2.

Resolution No. 370-81, authorizing a Third Amendatory Agreement to the Land Disposition Agreement with Michael O'Neill and Sons for Parcel 743-B(2), approving the disposition value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the Third Amendatory Agreement for Parcel 743-B(2), Western Addition A-2.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

- (c) Public hearing to hear all persons interested in the Assignment of Interest for Parcel 743-B(2), located on the northeast corner of Franklin and Turk, Western Addition A-2.

NEW BUSINESS (continued)

Resolution No. 371-81, authorizing an Assignment of Interest in the Land Disposition Agreement with Michael O'Neill to Wicklow Terrace-81 for Parcel 743-B(2), and ratifying the Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the Assignment of Interest for Parcel 743-B(2), Western Addition A-2.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

It was requested that the background of items b and c be considered together. Authorization is requested of a Third Amendatory Agreement with Machael O'Neill and Sons for the Parcel located on the northeast corner of Franklin and Turk in the Western Addition A-2. This Amendatory establishes a disposition price of \$216,000 based on current appraisals. Authorization is requested to assign the interest in the LDA with Michael O'Neill to Wicklow Terrace-81. In August 1978 two LDA's were executed with Mr. O'Neill, one for the parcel at Eddy and Franklin for 85 residential units, which have been completed and the other for the parcel at Franklin and Turk Streets for financing. The developer's underwriter and Agency Bond Counsel are working to provide SB-99 financing. The bond package is being prepared with the hope that interest rates will come down in the next few months. If SB-99 is not possible, Mr. O'Neill will start construction in accordance with the LDA schedule by using conventional financing and convert to SB-99 if it becomes feasible. The lender, as a condition of its commitment, is requiring the developer to include his family on the title.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 370-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 371-81 BE ADOPTED.

- (d) Public hearing to hear all persons interested in the conveyance of Parcel 1100-T, northeast corner of Divisadero and Ellis Streets, Western Addition A-2.

Resolution No. 372-81, authorizing a Land Disposition Agreement with Noland Frank for Parcel 1100-T, approving disposition value and ratifying the publication of Notice of Public Hearing, Western Addition.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (d) would be continued for one week at staff request. There being no objection, it was do ordered.

- (e) Resolution No. 373-81, authorizing a First Amendatory Agreement to the Land Disposition Agreement with Noland Frank for Parcel 731-B, northwest corner of Eddy and Fillmore Streets, Western Addition A-2.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (e) would be continued for one week at staff request. There being no objection, it was so ordered.

- (f) Public hearing to hear all persons interested in the conveyance of Parcels 678-C(1), (2) and (3), north side of Sutter between Fillmore and Steiner, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (f) would be continued for one week at staff request. There being no objection, it was so ordered.

- (g) Public hearing to hear all persons interested in the conveyance of Parcel B-6(A), located on the west side of Jennings between Parcel B-5 and B-6(B), India Basin Industrial Park.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (g) would be continued for one week at staff request. There being no objection, it was so ordered.

Ms. Blomquist inquired why so many items had been continued tonight and in the last few weeks, and Mr. Hamilton indicated that some items had lacked the necessary information to bring forth a complete package to the Commission for their consideration and as for tonight's Agenda, it was shortened to allow time for the public to speak on the YBC item.

- (h) Resolution No. 374-81, authorizing a Rental Agreement with Metro Parking Corporation for the utilization of Block 714, lots 2 and 3, Van Ness Avenue and Myrtle Alley, Western Addition A-2.

Authorization is requested to enter into a rental agreement with Metro Parking Corporation for use of the property located on Van Ness Avenue and Myrtle Alley for the purpose of commercial off-street parking. This parcel is scheduled to be conveyed in March 1982, and it is believed that during the interim the parcel could generate some money for the Agency, provide much needed off-street parking in the area and prevent trespassers from illegally using the parcel. Metro Parking Corp. was the highest bidder at \$4,177.77 per month. The agreement will be based on a month-to-month rental beginning October 12 and is subject to a 30-day termination notice by the tenant or the Agency.

Ms. Mary Rogers, Chairperson, WAPAC, indicated her concern about the purposes for which the money generated by the parking lot were expended and Mr. Hamilton indicated that the money is deposited into other income and budgeted for expenditure in the Western Addition A-2 project budget.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 374-81 BE ADOPTED.

NEW BUSINESS (continued)

President Berk announced that the meeting would be recessed to a Closed Session to consider matters concerning litigation and would reconvene to consider Item (i). The meeting recessed at 5:00 p.m. and reconvened at 5:50 p.m. with the same roll call.

- (i) Resolution No. 375-81, designation of preferred design concept for the Yerba Buena Center Central Blocks.

Mr. Hamilton reviewed the evaluation process that he had followed in making his recommendation to the Commission. He stated that he was recommending the designation of a preferred design concept for the Central Blocks of YBC which included the Plaza Variant for CB-1 and the Explanade alternative for CB-2 and CB-3. He also recommended leaving open the question of housing for CB-2 with the decision to be made after a more detailed program refinement has taken place during negotiations of the financial terms of the development agreement. He elaborated on the features of the three design concepts, and his conclusion that the recommendation best met the objectives of the Agency as expressed in the RFQ.

President Berk then invited public comment on this item. She noted that speakers would be heard in the order of the sign-up sheets. Public comment followed. Charles Lam, President of the Hotel and Bartenders Union; George Kirland, Chief Executive Office of the Visitors and Convention Bureau; Doris Kahn and Anne Halsted, Director's Advisory Group; Rob Rutan, Chamber of Commerce; Judith Wilbur, Chairman of the Asian Art Commission; Hans Schiller, Consultant, Asian Art Commission; Sue Hestor, Consumer Action; Stan Smith, San Francisco Building Trades Council; Isbella Ugat, South of Market Alliance; Violet English, 320 Clementina; Richard Gryziec; Sue Biereman; Sal Rosselli, SEIU, Local 9; Michael Hardeman, Sign-Display No. 510; Howard Wexler; Linda Hallen, South of Market Consortium; Ellen Roberts; and Germaine Wong, Chief Administrative Office.

Mr. Mardikian indicated his preference for housing on Central Block 2 and urged Commission to accept staffs recommendation for concept designation to also include housing in the development.

MOTION: IT WAS MOVED BY MR. MARDIKIAN TO AMEND THE RESOLUTION DESIGNATING THE PREFERRED CONCEPT TO CONSIDER IT AS TWO RESOLUTIONS WITH THE FIRST ADDRESSING THE DESIGNATION OF A PREFERRED CONCEPT AND THE SECOND, INCLUSION OF HOUSING. THE MOTION DIED FOR WANT OF A SECOND.

Mr. Newman indicated housing was of utmost importance and expressed the belief that the issue needed to be carefully considered but he believed the option should be left open at this time.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 375-81 BE ADOPTED, WHICH RESOLUTION IS ATTACHED AND INCORPORATED IN FULL IN THESE MINUTES.

NEW BUSINESS (continued)

President Berk commented on the work done by the developer and expressed appreciation for the public support and input which was helpful and would continue to be useful during the process.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:35 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

APPROVED: _____

R35
#4
10/6/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 6TH DAY OF OCTOBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed meeting session at 939 Ellis Street in the City of San Francisco, California at 7:00 p.m. on the 6th day of October 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

and the following was absent:

None

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; Joel Zeldin, Esquire, Dinkelspiel, Donovan and Reder; Marc Mihaly, Esquire, Shute, Mihaly and Weinberger; and Helen L. Sause, Secretary.

NEW BUSINESS

(a) Consideration of potential litigation on environmental issues.

In response to Mr. Hamilton's request, Mr. Mihaly outlined areas where there was the potential for misunderstanding of the Commission's consideration of the design concepts. Discussion followed.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

SF
R35
#4
10/13/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF OCTOBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of October 1981, the place, hour, and date duly established for the holding of such meeting.

President Berk called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
H. Jesse Arnette
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Melvin D. Lee

The President declared a quorum present:

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were M. D. James, Roslyn Baltimore; Fillmore Complex Association; Charles Robinson, Georgia Robinson, Clifford Rollins, Robert Jones, Reverend Amos Brown, Anne Carter, Alberta C. Lloyd, Lenora Caesar, David Newman, Third Baptist Church; Benny Stewart Mary Rogers, Alonzo Reece, Western Addition Project Area Committee (WAPAC); Nicola Smith, Suttermore; Harold Bexton, Nolan Frank Development; Daniel Shapiro, Shapiro, Okino, Hom and Associates; Alfred J. Bonelli, Bonelli Enterprises; and Arnold Townsend, interested citizen.

Representing the press were Syd Kossen, San Francisco Examiner; Evelyn Hsu, San Francisco Chronicle; and E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Newman, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Closed Session of October 6, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The 1982 Community Development budget was approved today by the Board of Supervisors.
- (b) The Lyman Jee /Meredien Hotel groundbreaking has been postponed until some time before Thanksgiving, so that the French participants can be here for the celebration. Staff will keep you informed as to the exact date.
- (c) The Planning, Housing, and Development Committee will hear a resolution on October 20, 1981 granting the Agency the authorization to negotiate on the Air Rights over the Convention Center in Central Block 3 of Yerba Buena Center.

UNFINISHES BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcel B-6(A), located on the west side of Jennings between Parcel B-5 and B-6(B); India Basin.

Resolution No. 376-81 authorizing Agreement for Disposition of Land with Bonelli Enterprises, for Parcel B-6(A), approving the Disposition Price and ratifying publication of Notice of Public Hearing; India Basin Industrial Park.

President Berk opened the public hearing to hear all persons interested in the matter of the Agreement for the Disposition of Land with Bonelli Enterprises, for Parcel B-6(A).

Authorization is requested to enter into a Land Disposition Agreement (LDA) with Bonelli Enterprises for the 11,800 square foot parcel located on the west side of Jennings Street adjacent to the firm's recently completed facility, at a purchase price of \$38,5000. The developer was originally located in the Bayview-Hunters Point Area, moved to India Basin to expand the firm's capacity to manufacture aluminum windows. The business has been so successful that they want to acquire this parcel to provide for additional parking and storage of production materials. The lot will be asphalt-paved with a wall from six to ten feet in height surrounding it, so the actual parking and storage will not be visible from the street. In addition, it will also be landscaped on the outside of the wall. The expansion will enable the firm to hire several more permanent employees. They remain supportive of the neighborhood employment opportunities program. The Schedule of Performance in the LDA is for submission of evidence of financing by October 29, 1981; commencement of construction by January 5, 1982; and completion of construction by March 31, 1982.

There being no person wishing to appear on this item, President Berk closed the public hearing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 376-81 BE ADOPTED.

- (b) Resolution No. 367-81 approving and authorizing execution of Second Amendment to Agreement for Legal Services with the law firm of Dinkelspiel, Donovan, & Reder in connection with all Redevelopment Project Areas.

Approval is requested of a second amendment to the contract with the firm of Dinkelspiel, Donovan and Reder in an amount not to exceed \$50,000 for all redevelopment project areas. This firm provides not only general legal services, but specializes in complex litigation cases. At the meeting of September 29 it was indicated that additional information on the firm's affirmative action hiring activities would be provided. This information includes a commitment from the firm to take the following actions: A regular feature of recruiting for attorney positions will be contacts with minority bar associations and minority student associations at law schools where recruitment occurs; efforts will be heightened to obtain paralegal and clerical applicants through minority-owned and operated employment agencies and services and increased consideration will be given to minority and woman-owned businesses when outside services are needed. Staff feels the Dinkelspiel commitment to future actions when hiring personnel and obtaining services is consistent with positive affirmative action efforts. Ms. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), indicated her concern about the firm's affirmative action program and urged that they recruit blacks.

UNFINISHED BUSINESS (continued)

Mr. Arnelle expressed his strong feeling about the affirmative action programs for law firms when they have considerable contracts with the Agency and expressed his happiness with this firm's present position of no black attorneys and indicated he was reluctantly voting in favor of this contract, but if it or any others like it come up again he would vote against them.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 367-81 BE ADOPTED.

- (c) Resolution No. 343-81 authorizing a Land Disposition Agreement with Overture Associates and Isabelle Tower Associates for Air Rights Parcel 792-A(1), approving Disposition Value and ratifying publication of Notice of Public Hearing; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner, that Item (c) would be continued for one week at staff request.

- (d) Resolution No. 340-81 authorization to enter into Exclusive Negotiations with Catalyst Financial Corp. for Parcels 728-N, 1127-F, 1129-O; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item would be taken up with Item 9(a) under New Business, at staff request. There being no objection, it was so ordered.

- (e) Resolution No. 364-81 authorizing a contract for Legal Services with the law firm of McDonough, Holland and Allen; Yerba Buena Center.

Approval is requested to enter into a contract for Legal Services with the law firm of McDonough, Holland and Allen in amount not to exceed \$65,000, and the drafting of documents for the negotiations will be carried by the Agency General Counsel and Steve Cowan of the firm of Steefel, Levitt & Weiss. An attorney is needed in the core negotiating for the Yerba Buena Center (YBC) Central Blocks team who is familiar with the public law, land development and real estate interests to assist the Agency in achieving the optimum public return for the YBC land. It is proposed that Joseph Coomes, an attorney in the firm, whose practice has been concentrated in the area of development and he has represented both public agencies and redevelopers in large mixed-use developments which makes him uniquely experienced to serve in this capacity. He is also one of the country's foremost experts on tax allocation financing and mixed-use urban development. His experience will be necessary in carrying out the negotiations to achieve maximum public benefit.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 364-A BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 377-81 approving and authorizing agreement regarding A-1 Plan Change to permit construction of housing; Western Addition A-1.

Authorization is requested to execute an agreement with Catalyst Financial Corp. to permit housing on the Post and Gough Streets site in the Western Addition A-1 and rehabilitation of 25 units in the Western Addition A-2. This agreement will implement the authorization for a Plan Amendment for A-1

NEW BUSINESS (continued)

granted at the September 15, meeting. The Plan change allows construction of housing on the site that has a permitted use of general commercial. The Plan Amendment will give a higher-density residential use permitting 125 units, plus a density bonus of 25 units in return for the developer rehabilitating 25 units of housing for moderate income persons. The agreement is limited to Catalyst and this arrangement will provide the security needed to ensure the rehabilitation of the 25 units as Catalyst owns the controlling parcel. The specific location of the 25 units is not agreed upon and that will be done after consultation with WAPAC. If the developer should fail or refuse to enter into the LDA for the 25 units, no building permit will be approved for the housing on Post and Gough Streets. The Planning Commission found the Plan Amendment in conformance with the Master Plan on October 8 and there will be a Joint Public Hearing of the Commissioners with the Board of Supervisors on October 19, 1981. The Agreement also provides \$50,000 payment by the developer for administrative costs associated with the plan change; it establishes guidelines for setting prices and terms of sale of rehabilitation condominiums as affordable using HUD 312 lending guidelines to persons and families of moderate income as defined in the California Health and Safety Codes. The Agreement acknowledges that under these guidelines, the developer will probably lose money. After the Plan Amendment is approved, Exclusive Negotiations will be entered into for 60 days for the specific 25 units and an Owner Participant Agreement within 60 days. If an agreement is not reached on the units to be rehabilitated, the developer could still build an office building which is now permitted under A-1 Redevelopment Plan.

Mr. Timothy Tosta, attorney for Catalyst, indicated that they looked forward to implementing this proposal with the Agency. Ms. Mary Rogers, WAPAC, indicated she had been in discussion with staff and concurred with the action before the Commission today.

Mr. Newman expressed concern about paving the way for a developer to be able to build an extra 25 units for sale at market rate and they only had to provide for the rehabilitation of 25 units to be sold to moderate income persons. Mr. Arnelle also indicated concern that the community that had housed low to moderate persons was becoming a middle class community and excluding them.

Mr. Hamilton noted that this was also of concern to staff; however, the A-1 Plan change would allow housing that at this time would not otherwise be built. In reply to President Berk's inquiry, Mr. Kernan indicated that on October 19 the A-1 Plan Amendment would be heard at a joint public hearing before the Board of Supervisors and this Agency and after that the specific buildings would be selected for rehabilitation and then authorization would be requested to enter into a Land Disposition Agreement.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 364-A BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. Berk
Mr. King
Mr. Mardikian
Mr. Newman

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT DECLARED THAT THE MOTION CARRIED.

Ms. Blomquist indicated she had voted Nay because she was opposed to the project's height and density.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioners that Item 8(d), due to lack of action, would be dropped from the Agenda. There being no objection, it was so ordered.

- (b) Resolution No. 378-81 authorizing execution of Agreement for Disposition of Land with Suttermore Associates for Parcel 678-C(1) (2) and (3) approving Disposition Value and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the Agreement for the Disposition of Land with Suttermore Associates for Parcel 678-C(1) (2) and (3).

Authorization is requested to enter into a Land Disposition Agreement with Suttermore Associates for the parcel located on the north side of Sutter between Fillmore and Steiner Streets. Exclusive Negotiations were granted on June 9, 1981 to the developer who proposes to construct 68 one and two bedroom condominiums, a 15,000 square foot commercial/office building with an easement for open space. Suttermore Associates is a general partnership with Carlton B. Goodlett, M.D., and Harley E. Spear, M.D. Paul Faberman is the development manager and Nicol Smith, an attorney to act as agent of the partnership. Staff feels that this group has the experience and financial capability with the Redevelopment Plan and the partners will either occupy the office space or rent it out. No specific use has yet been determined for the commercial space. The Performance Schedule is to submit evidence of financing by September, 1982; commence construction by November, 1982; and complete construction by May, 1984.

Mr. David Noonan, American Academy of Ophthalmology endorsed Suttermore Associates' proposed action which concluded negotiations begun in 1975. He indicated that if this development did not proceed, his organization was ready to enter into an agreement for this property and begin construction. Ms. Mary Jane Staymates, WANA, was hoping to see something firm as this property had been idle for 15 years and concurred with Mr. Noonan. Mr. Benny Stewart, Executive Director, WAPAC, endorsed staff's recommendation and indicated many of the doctors had struggled to put this together.

There being no further persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Mr. Noonan indicated his belief that this was a key lot in the community and if developed it would encourage the property around it to do likewise and expressed his concern that the community is made to suffer while this property lies idle. Ms. Nicola Smith, attorney representing the developer, indicated

they were ready, willing, and able to develop this parcel. Mr. Mardikian indicated there was great interest in getting this parcel developed and requested that the Commission be notified as the LDA dates may or may not be met, and Mr. Hamilton indicated that they would be advised. Mr. Newman inquired that since it would not be known for one year if evidence of financing was available and inquired if the developer knew now if they had such financing. Ms. Smith indicated that they had positive responses, but did not yet have a firm commitment and the financing market was difficult.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 378-81 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in the conveyance of Parcel 1100-T, northeast corner of Divisadero and Ellis Streets; Western Addition A-2.

Resolution No. 372-81 authorizing Agreement for Disposition of Land with Nolan Frank for Parcel 1100-T, approving Disposition Value and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioners that this item be continued for two weeks at staff request.

- (d) Resolution No. 373-81 approving and authorizing execution of a First Amendatory Agreement to the Agreement for Disposition of Land for Parcel 731-B, northwest corner of Eddy and Fillmore Streets, with Nolan Frank; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item be continued for two weeks at staff request.

- (e) Resolution No. 379-81 authorizing and approving Exclusive Negotiations with Fillmore Complex Associates for Parcel 755-B, 1101-23 Fillmore Street; Western Addition A-2.

Authorization is requested to renew exclusive negotiations to March 1, 1982 with the Fillmore Complex Associates for the purchase and rehabilitation of 1101-23 Fillmore Street. This is a 4-story building with 18 one-bedroom and 13 two-bedroom units and ground floor commercial space. Ms. Mary James who owns the drug store in the building is working with development consultant Roslyn Baltimore to accomplish this renovation. The exclusive negotiations on July 21 with the requirement that by September 19, 1981 the Limited Partnership Agreement would be submitted which indicated at least 40 per cent of ownership would be held by valid Certificate Holders. Submission of evidence of financing is due October 29. The exclusive negotiations were automatically terminated when the developer failed to meet a deadline. The developer is now requesting additional time to complete the legal and financial arrangements because it was necessary to change legal counsel and they were unable to meet the September 19 deadline regarding the Partnership Agreement. The submission of equity capital is more complex than usual because the developer will be expected to have agreements with the Certificate Holders that make up the required 40 per cent ownership which goes further with the formation of the partnership than is normally done during exclusive negotiations. It will also be necessary to perfect the design to a degree sufficient to develop detailed cost information prior to obtaining firm commitments from

NEW BUSINESS (continued)

potential partners. This necessitates a longer exclusive negotiation stage, but will accelerate the LDA performance schedule. It is recommended that the performance dates be extended to require submission of availability of equity capital by February 1, 1982.

Mr. Hunter Johnson, Chief of Rehabilitation, indicated that the developer had submitted the limited partnership agreement which was required by October 12, 1981.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 379-81 BE ADOPTED.

- (f) Resolution No. 380-81 approving extension of Exclusive Negotiations with Third Baptist Church for Parcel 750-A, located in the block bounded by Golden Gate Avenue and Eddy, Steiner and Fillmore Streets; Western Addition A-2.

Authorization is requested to extend Exclusive Negotiations with Third Baptist Church until January 13, 1982 for development of the parcel located in the block bounded by Eddy, Fillmore, Turk and Steiner Streets. Original negotiations were authorized in September 1980 for the construction of a sanctuary, day-care center, elementary school and multi-purpose community activities building on this site. Membership in their building committee has been voluntary which has resulted in the lack of day-to-day management and substantial delays. The Church has now hired a person to assist in the selection of an architect and the firm of Robbins and Ream has been chosen and are now working on the schematic designs. It is anticipated that the Church will develop the site in phases which will necessitate a phased sale of the parcel. Since satisfactory schematic designs have not been completed during the exclusive negotiations, the LDA negotiations cannot be completed until the scope of Phase I of the development is determined. Third Baptist has requested an extension until January 13, 1982 to complete this work. The extension is to be subject to the provision of receipt of schematic drawings by December 31, 1981 and evidence of financing by December 28, 1981.

In reply to Ms. Blomquist, Reverend Amos Brown indicated the first phase to be developed would be commercial and the school. Mr. Newman inquired if Reverend Brown believed all the development and Reverend Brown indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 380-81 BE ADOPTED.

- (g) Resolution No. 381-81 awarding Demolition and Site Clearance Contract No. 77, Western Addition Redevelopment Project Area A-2, to Charles S. Campanella, Incorporated; Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item be continued for two weeks. There being no objection, it was so ordered.

In reply to Ms. Blomquist's inquiry, Mr. Hamilton indicated this item was being held due to the recent State budget cuts we would like to make sure before we award the contract that we will receive the State's share of the demolition money.

- (h) Resolution No. 382-81 approving and authorizing execution of an Agreement with the law firm of Shute, Mihaly & Weinberger; Rincon Point-South Beach and Yerba Buena Center.

Approval is requested to enter into an Agreement with Shute, Mihaly and Weinberger for legal services in an amount not to exceed \$25,000 for Rincon Point-South Beach and Yerba Buena Center. The Agency is currently involved in complex issues in the areas of land use and environmental law, which requires the expertise of legal counsel who have had extensive experience in this area. This law firm has both the background and knowledge to be of great assistance in this regard and are prepared to assist in legal research, advice and consultation to provide the necessary legal services in connection with litigation should the need arise. They have already provided excellent service on an expedited basis which was partially covered by Purchase Order; however, their ongoing consultation and advice is needed on the upcoming Environmental Impact Report (EIR) for YBC and the aggregated parcels program in Rincon Point-South Beach. This agreement will be effective September 3, 1981.

Mr. Earl P. Mills, Deputy Executive Director, Community Services, commenting on the firm's affirmative action program indicated that this was a small office with three attorneys and three support persons and if they seek additional personnel, they are committed to advertising in minority publications.

Ms. Mary Rogers, WAPAC, expressed concern that the Agency use firms that employed black attorneys and Mr. Hamilton requested that Ms. Rogers advise the Agency of black attorneys that could provide the limited and specialized services. On appraisal contracts, the Agency had made significant inroads in hiring minority firms for these jobs and he was interested in hearing any program Ms. Rogers had to offer.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 382-81 BE ADOPTED.

- (i) Resolution No. 383-81 authorization to approve form of agreement with Shapiro, Okino, Hom and Associates for personal services for structural and related engineering services; all projects.

Authorization is requested to enter into a contract with Shapiro, Okino, Hom and Associates for engineering services in an amount not to exceed \$35,000. The \$50,000 contract authorized in January 1979 is nearly depleted. Under that contract they have been providing structural and related engineering services for buildings scheduled for rehabilitation. This firm is familiar with the Agency's rehabilitation program, has extensive knowledge of the application of building codes and has proven their expertise in providing recommendations and drawings for structural problems. It is anticipated that this contract will provide services for the next 12-18 months. The funds are allocated on the basis of \$20,000 to the Western Addition, \$5,000 to Yerba Buena Center and \$10,000 to Rincon Point-South Beach. Staff finds the firm's affirmative action program satisfactory.

Mr. Arnette inquired about the firm's affirmative action program and Mr. Daniel Shapiro indicated that there were 26 employees, they had no particular program, but that they had 50 per cent minority employees and

two of the three principals were minorities with the following breakdown: 13 White, 11 Asian, 1 Spanish, and 1 Black. Mr. Arnette inquired if there were any black engineers and Mr. Shapiro indicated there were none, but not for the lack of trying to recruit.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 383-81 BE ADOPTED.

- (j) Public Hearing to hear all persons interested in a Variance from the height limit requirement for Parcel 3750-A, bounded by Folsom, Harrison, Third, and Hawthorne; Yerba Buena Center.

Resolution No. 384-81 authorizing a variance from the height limit requirement of the Redevelopment Plan for Yerba Buena Center as related to the disposition of Assessor's Block 3750, Parcel 3750-A, Taylor Woodrow Site and ratifying publication of Notice of Public Hearing; Yerba Buena Center.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that this item be continued for two weeks. There being no objection, it was so ordered.

- (k) Resolution No. 385-81 authorizing a Third Amendment to the personal services contract with Keyser/Marston Associates, Inc., applicable to all San Francisco Redevelopment Project Areas.

Authorization of a Third Amendment to the contract with Keyser/Marston Associates, Inc. (KMA) to increase the amount of their contract by \$97,000 for a total of \$237,000. \$15,000 of this contract has been set aside for the economic studies for Fillmore Center with the balance allocated to YBC. The original contract was approved for use in all projects in June 17, 1980 and was amended on September 2, 1980 and March 10, 1981 to provide for additional services in connection with the YBC Central Blocks developer selection and negotiation. During this process, KMA has participated as members of the developer selection group, provided the financial analysis for the 10 developer teams using Touche Ross & Co. as a subconsultant. They have also provided economic analysis and determined financial feasibility of the project components during the negotiations, prepared one of the reuse appraisals of land value and are currently part of the "core" negotiating team. The negotiation process has extended beyond the originally budgeted period and all funds of the current contract have been expended. Keyser/Marston Associates has a significant role in the negotiations with Olympia & York. As part of this amended contract, KMA will continue to update one of the two land valuation appraisals for the three Central Blocks through the entire negotiation process, evaluate the economic aspects of the developer's proposal and analyze and assist in formulating the Agency's response to the business terms that are proposed and participated in the core negotiations to secure a fair economic deal for the project.

Mr. Newman expressed his belief that this company was providing a valuable service, but was concerned about the consultant costs being contracted for and asked to see where the money was expended. Mr. Hamilton indicated he would prepare a complete analysis and report on KMA's services. He also stated that their services are very important and desire the Agency continue their contract. Mr. Newman expressed concern about this not being the final amendment would continue because he anticipated that the negotiations would

NEW BUSINESS (continued)

continue for some time.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 385-81 BE ADOPTED.

- (1) Resolution No. 386-81 authorizing execution of First Amendment to contract for legal services for Arts Endowment Consultation with the law firm of Marron, Reid, & Sheehy in connection with the National Endowment for the Arts Grants; Yerba Buena Center.

Authorization is requested to pay an additional \$1,435.68 to Marron, Reid and Sheehy for services rendered in connection with the National Endowment for the Arts (NEA) grant. Last May the Commission authorized a contract with this firm for \$3,500 to provide an evaluation of the legal consequences if the Agency accepted a \$17,000 matching grant that had been awarded by the Design Arts Program of the National Endowment for the Arts. The firm submitted an opinion letter at the end of May advising the Agency to accept the grant and in their opinion, there would be no onerous consequences involved in such acceptances, but offered several protective modifications as to the application which the Arts Endowment agreed. The grant is now being processed. Prior to issuing this opinion, the Agency was invited to apply for another NEA grant but staff did not wish to do so unless it was believed the Agency could accept it. Marron, Reid & Sheehy provided a separate opinion concerning the advisability of the Agency applying for additional grants. Staff believed this would be incorporated in the original services requested but found that it necessitated separate legal analysis and resulted in an additional billing of \$1,435.68. Staff has reviewed the justification for these additional expenses and believes they are warranted.

Marron Reid & Sheehy
In reply to Ms. Blomquist's inquiry, Ms. Helen Sause, Project Director for Yerba Buena Center, indicated that it appeared unlikely the NEA grant would be made and the National Endowment for the Arts again encouraged the Agency to apply for another and was not authorized and he believed the staff person responsible should be advised of the inappropriateness of this action and Mr. Hamilton indicated that had been done.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BLOMQUIST, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 386-81 BE ADOPTED.

Ms. Mary Rogers indicated her concern about a new HUD regulation requiring that co-op housing in stall new windows because of safety factors. This will increase the rents. Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated he would find out about this and advise her.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:10 p.m.

Respectfully submitted,

Helen L. Sause
Agency Secretary

SE
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#4
10/19/81

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF OCTOBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting held in Room 234, City Hall, in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of October 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Walter S. Newman

DEPOSITORY ITEM
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and the following was absent:

Haig G. Mardikian

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Doris M. Ward, Acting President of the Board of Supervisors, indicated the special joint meeting of the Board of Supervisors and the Redevelopment Agency of the City and County of San Francisco was called for the purpose of conducting a joint public hearing on the Proposed Amendments to the Official Redevelopment Plan for the Western Addition A-1 Approved Redevelopment Project. She noted that the notice of the joint public hearing had been published and mailed, as required by law, and the Board of Supervisors constituted itself to sit as a Committee of the Whole.

Charlotte Berk, President of the Agency's Commission, indicated that the special meeting of the Redevelopment Agency was now open and in response to her request, the Agency Secretary, Helen L. Sause, stated the purpose of the meeting, noting that the purpose of the meeting was to conduct a joint public hearing on the Proposed Amendments to the Official Redevelopment Plan for the Western Addition Area A-1 Approved Redevelopment Project.

Acting President Ward noted that there would be a presentation of the Proposed Amendments to the Official Redevelopment Plan and related matters by the Agency, and then the joint bodies would hear public testimony concerning the Proposed Redevelopment Plan Amendments. Following this testimony, comments and questions would be heard from the Board and Agency members; then the public hearing would be concluded and actions by the Redevelopment Agency and by the Board of Supervisors would be considered.

RULE OF THE CHAIR: President Berk indicated that subject to the objection by any Agency Commission member, the Agency would adopt the rules of order outlined by Acting President Ward for the duration of the joint meeting and hearing. There being no objection, it was so ordered.

Acting President Ward noted that the record contained the documents submitted for the hearing which included the Proposed Amendments to the Official Redevelopment Plan for the Western Addition Area A-1 Approved Redevelopment Project and the Final Negative Declaration of

Environmental Impact for the Western Addition A-1 Redevelopment Plan Amendments. She noted that each member of the Board of Supervisors and the Redevelopment Agency Commission had received a packet containing the documents and that copies were available, as well as a sign-up sheet for those who wished to speak. Acting President Ward then declared that the public hearing was open for the Board of Supervisors of the City and County of San Francisco. President Berk also declared that the public hearing was open for the Redevelopment Agency of the City and County of San Francisco.

Mr. King joined the other Commissioners at 4:25 p.m.

Acting President Ward indicated that as President of the Board of Supervisors, she would assume responsibility to preside over the joint public hearing for both the Board of Supervisors and the Redevelopment Agency. She then invited a presentation from the Agency. Mr. Wilbur W. Hamilton, Executive Director of the Redevelopment Agency, and other staff members were introduced and outlined the salient factors of the Proposed Amendments to the Official Redevelopment Plan for the Western Addition Area A-1 Approved Redevelopment Project. Mr. Hamilton and staff thoroughly reviewed each aspect of the Proposed Amendments.

Acting President Ward invited statements and questions from persons on adoption of the Proposed Amendments, and the following spoke in favor of the Proposed Amendments: Timothy Tosta, Catalyst Financial Corporation; and Benny Steward, Arnold Townsend, and Mary Rogers, Western Addition Project Area Committee (WAPAC). There were no speakers in opposition. The Board of Supervisors then concluded the joint public hearing and sitting as a Committee of the Whole reported without recommendation that the Proposed Amendments to the Official Redevelopment Plan and attendant Environmental Finding be considered by the Board of Supervisors.

President Berk indicated that she would entertain a motion that the joint public hearing be concluded and that the Proposed Amendments to the Official Redevelopment Plan and the attendant Environmental Finding be considered by the Agency Commission.

MOTION: IT WAS MOVED BY MR. KING AND SECONDED BY MR. LEE THAT THE JOINT PUBLIC HEARING BE CONCLUDED AND THAT THE PROPOSED AMENDMENTS TO THE OFFICIAL REDEVELOPMENT PLAN FOR WESTERN ADDITION AREA A-1 AND THE ATTENDANT ENVIRONMENTAL FINDING BE CONSIDERED BY THE AGENCY COMMISSION, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Newman
President Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Berk then entertained a motion approving minor modifications to the Proposed Amendments to the Official Redevelopment Plan for Western Addition Area A-1, and authorizing transmittal of same to the Planning Director of the City and County of San Francisco for determination of conformity with the Master Plan.

MOTION: IT WAS MOVED BY MR. ARNELLE AND SECONDED BY MR. KING THAT MINOR MODIFICATIONS TO THE PROPOSED AMENDMENTS TO THE OFFICIAL REDEVELOPMENT PLAN FOR THE WESTERN ADDITION A-1 BE APPROVED AND THAT TRANSMITTAL OF SAME BE AUTHORIZED TO THE PLANNING DIRECTOR OF THE CITY AND COUNTY OF SAN FRANCISCO FOR DETERMINATION OF CONFORMITY WITH THE MASTER PLAN, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. King
Mr. Lee
Mr. Newman
President Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Berk then transmitted the resolution outlining the minor modifications to the Proposed Amendments to the Official Redevelopment Plan for the Western Addition Area A-1 to the Planning Director of the City and County of San Francisco for determination of conformity with the Master Plan.

Deputy Planning Director George Williams indicated that he found that the minor modifications to the Proposed Amendments to the Official Western Addition Area A-1 Redevelopment Plan were in conformity with the Master Plan of the City and County of San Francisco.

President Berk then invited questions regarding the Proposed Amendments to the Official Redevelopment Plan or attendant documents. Following discussion, President Berk entertained a motion approving the Proposed Amendments to the Official Redevelopment Plan for the Western Addition Area A-1 Approved Redevelopment Project, referring it to the Board of Supervisors.

MOTION: IT WAS MOVED BY MR. NEWMAN AND SECONDED BY MR. KING THAT THE PROPOSED AMENDMENTS TO THE OFFICIAL REDEVELOPMENT PLAN FOR THE WESTERN ADDITION AREA A-1 APPROVED REDEVELOPMENT PROJECT BE APPROVED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. King
Mr. Lee
Mr. Newman
President Berk

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Berk then transmitted to the Board of Supervisors the resolution of the Agency approving and recommending that the Board of Supervisors adopt the Proposed Amendments to the Official Redevelopment Plan for the Western Addition Area A-1 Approved Redevelopment Project Area.

Acting President Ward invited questions from the members of the Board of Supervisors regarding the Proposed Amendments to the Official Redevelopment Plan, the Finding of No Significant Impact on the Environment, and the attendant documents. Extensive discussion followed. Acting President Ward then entertained a motion on an ordinance approving the Proposed Amendments to the Official Redevelopment Plan for Western Addition Area A-1 Approved Redevelopment Project Area, and certifying agreement with the Finding of No Significant Environmental Effect in regard to the Proposed Amendments to the Official Redevelopment Plan. Following discussion to amend the ordinance approving the Proposed Amendments to the Official Redevelopment Plan for the Western Addition Area A-1 Project, the Clerk of the Board of Supervisors reported that on the first reading the ordinance was approved.

ADJOURNMENT

It was moved by Mr. Newman, seconded by Mr. Arnette, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:33 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

(Note: A full and complete transcript of this hearing is on file at the office of the Agency Secretary.)

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#4
10/20/81

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF
SAN FRANCISCO HELD ON THE 20TH DAY
OF OCTOBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to a closed session meeting at 939 Ellis Street in the City of San Francisco, California at 6:50 p.m. on the 20th day of October 1981, following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

and the following was absent:

H. Jesse Arnelle

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; and Patsy R. Oswald, Assistant Agency Secretary.

NEW BUSINESS

(a) Election of Agency Secretary

Mr. Hamilton indicated that the present Agency Secretary, Helen L. Sause, is also serving as Project Director for Yerba Buena Center. He believed, especially now that the Agency was into negotiations with the developer for the Central Blocks of Yerba Buena Center, that Ms. Sause should devote her energies to those negotiations and to the project. He noted he had discussed this matter with Ms. Sause and she had submitted her resignation from the position of Agency Secretary. Mr. Hamilton further noted that Ms. Sause was extremely competent in the job she was doing. He then recommended that Lloyd Sinclair, who is presently Assistant to the Executive Director, be appointed Agency Secretary at the next meeting.

MOTION: It was moved by Mr. Newman, seconded by Ms. Blomquist and unanimously carried that at the next Agency Meeting, Lloyd Sinclair would be nominated for the position of Agency Secretary.

NEW BUSINESS (continued)

Ms. Berk indicated that she believed it would be appropriate to have a commending Resolution drawn up for Ms. Sause's years of service as Agency Secretary and Mr. Hamilton indicated that that would be done.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:00 p.m.

Respectfully submitted,

Patsy R. Oswald
Assistant Secretary

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF OCTOBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting held in Room 234, City Hall, in the City of San Francisco, California, at 4:00 o'clock p.m. on the 26th day of October 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Dian Blomquist
Haig G. Mardikian
H. Jesse Arnelle

DOCUMENTS DEPT.

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and the following were absent:

Melvin D. Lee, Vice President
Walter S. Newman

SAN FRANCISCO
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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

John L. Molinari, President of the Board of Supervisors, indicated that the special joint meeting of the Board of Supervisors and the Redevelopment Agency of the City and County of San Francisco was called for the purpose of conducting a joint public hearing on the proposed amendments to the Official Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project.

Charlotte Berk, President of the Agency's Commission, indicated that the special meeting of the Redevelopment Agency was now open and in response to her request, the Agency Secretary, Lloyd E. Sinclair, stated that the purpose of the meeting was to conduct a joint public hearing on the proposed amendments to the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project.

President Molinari noted that there would be a presentation of the proposed Redevelopment Plan Amendments and related matters by the Agency, and then the joint bodies would hear public testimony concerning the proposed Redevelopment Plan Amendments. Following this testimony, questions and comments would be concluded and action by the Redevelopment Agency and the Board of Supervisors would be considered.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Agency Commissioner, the Agency would adopt the rules of order outlined by President Molinari for the duration of the joint meeting and hearing. There being no objection it was so ordered.

President Molinari indicated that the record contained the documents submitted for the hearing included: Proposed Amendments to the Official Redevelopment Plan

for the Yerba Buena Center Approved Redevelopment Project; Addendum to the Report on the Redevelopment Plan, Yerba Buena Center Redevelopment Project Area D-1; Supplement to the Final Environmental Impact Report for the Yerba Buena Center. He noted that each member of the Board of Supervisors and the Redevelopment Agency Commission had received these documents and copies of the documents were available. A sign-up sheet was available for those who wished to speak. He then opened the public hearing for the Board of Supervisors.

President Berk declared that the public hearing was open for the Redevelopment Agency.

President Molinari indicated that as President of the Board of Supervisors, he would assume responsibility to preside over the joint public hearing of both the Board of Supervisors and the Redevelopment Agency. He then invited a presentation from the Agency.

Mr. Redmond F. Kernan, Acting Executive Director, and other staff members were introduced. Mr. Kernan outlined the proposed amendments to the Yerba Buena Center Redevelopment Plan and indicated that these amendments are necessary in order to expand the project area by adding an additional land parcel to facilitate comprehensive development of Central Block one, which is the GSA property at 49 Fourth Street, and to enable greater flexibility regarding provision of housing. The latter amendment specifically enables housing to be permitted as a use on Assessor's Block 3735-D, also known as East Block Three, which is on the east side of Third Street between Howard and Folsom and would provide for the housing to be developed on top of the public parking structure. Mr. Kernan and staff thoroughly reviewed each aspect of the proposed amendments.

President Molinari invited statements and questions from persons on adoption of the proposed amendments to the Yerba Buena Center Redevelopment Plan, and the following spoke: Sue Hestor, Victor Gilbert, Kay Patchner, Lee Meyerzove, Christopher Martin, Calvin Welch, Richard Gryziec and Donald Davis.

The Board of Supervisors then concluded the joint public hearing and sitting as a Committee of the Whole reported without recommendation that the proposed Redevelopment Plan Amendments and attendant Environmental Finding be considered by the Board of Supervisors.

President Berk indicated that she would entertain a motion that the joint public hearing be concluded and that the proposed Redevelopment Plan Amendments and the attendant Environmental Finding be considered by the Agency Commission.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. MARDIKIAN THAT THE JOINT PUBLIC HEARING BE CONCLUDED AND THAT THE PROPOSED REDEVELOPMENT PLAN AMENDMENT AND ATTENDANT ENVIRONMENTAL FINDING BE CONSIDERED BY THE AGENCY COMMISSION, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREON DECLARED THAT THE MOTION CARRIED.

President Berk then entertained a motion on a resolution certifying agreement with finding significant environmental effect in regard to the proposed amendment to the Yerba Buena Center Redevelopment Project.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE THAT THE RESOLUTION CERTIFYING AGREEMENT WITH FINDING SIGNIFICANT ENVIRONMENTAL EFFECT IN REGARD TO THE PROPOSED AMENDMENT TO THE YERBA BUENA CENTER REDEVELOPMENT PROJECT BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Berk inquired if there were any members of the Agency who desired to ask any questions regarding the Proposed Redevelopment Plan Amendments or attendant documents. There being none, she entertained a motion on the following matter:

MOTION: IT WAS MOVED BY MS. BLOMQUIST, AND SECONDED BY MR. ARNELLE THAT THE PROPOSED AMENDMENTS TO THE REDEVELOPMENT PLAN FOR THE YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT, AND REFERRING THE SAME TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Blomquist
Mr. Mardikian
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Berk then transmitted to the Board of Supervisors the resolution of the Agency approving and recommending that the Board of Supervisors adopt

the proposed amendments to the Yerba Buena Center Redevelopment Plan.

President Molinari inquired if any members of the Board of Supervisors wished to ask questions regarding the Proposed Redevelopment Plan Amendments, the Finding of Significant Impact on the Environment, or the Attendant Documents. Discussion followed and at the conclusion the Board of Supervisors approved a resolution regarding certifying agreement with Finding of Significant Environmental Effect in regard to the Proposed Amendments to the Yerba Buena Center Redevelopment Project.

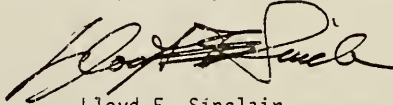
President Molinari then entertained a motion on an ordinance approving the Proposed Amendments to the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project.

Mr. Gilbert Boreman, Clerk of the Board of Supervisors, reported that on first reading the ordinance approving the Proposed Amendments to the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project was approved.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Arnelle and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:36 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

December 22, 1981

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12/1/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF OCTOBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of October, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

None

The President declared a quorum present.

Acting Executive Director, Redmond F. Kernan and staff were present.

Also present were Mary Rogers and Ben Stuart, Western Addition Project Area Committee (WAPAC) and Louie Sherriffe, Real Estate Broker.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of November 12, 1980, as distributed by mail to The Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director, Redmond F. Kernan, reported to Commissioners on the following matters:

- (a) Ms. Charlotte Berk was sworn in by Mayor Feinstein today for another four-year term.
- (b) Mr. Hamilton is attending a NAHRO National Conference in Colorado and will be returning to the office on Friday.
- (c) The Western Addition Project Area Committee (WAPAC) will be holding their 10th Annual Convention and Election on November 7 between 9 a.m. and 5:30 p.m. at the Ben Franklin Jr. High at 1430 Scott Street.
- (d) The Ground Breaking for the hotel in YBC, Lyman Jee/Meredian, has now been set for Thursday, December 10 at 4:00 p.m. You will be advised further about this event as the time draws nearer.

REPORT OF EXECUTIVE DIRECTOR (continued)

- (e) CAL-TRANS proposes to extend the terminal point from its present 4th and Townsend Street Station to the foot of Market Street, by running passenger trains over the Beltline tracks. This track will run through the Rincon Point-South Beach project area, but since this service is temporary and an interim measure as it relates to transit system improvements, the Agency has not objected to it.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the conveyance of Air Rights Parcel 792-A(1), northeast corner of Grove and Gough Streets, Western Addition A-2.

Resolution No. 343-81, authorizing execution of a Land Disposition Agreement with Overture Associates and Isabella Tower Associates for Air Rights Parcel 792-A(1), approving Disposition Value and ratifying publication of Notice of Public Hearing, Western Addition A-2.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 381-81, awarding Demolition and Site Clearance Contract No. 77 to Charles S. Campanella, Inc., Western Addition A-2.

Authorization is requested to award Demolition Contract No. 77 to the low of nine bidders, Charles S. Campanella, Inc. in the amount of \$118,740. This contract provides for the removal of buildings in order for the State Office Building to be constructed, and includes eight Agency-owned buildings and one State-owned building located in the block bounded by Van Ness, Golden Gate, McAllister, and Franklin Streets. The LDA with the State provides for demolition of the State-owned building at 515 Van Ness. This item was continued from the meeting of October 13 to obtain assurance that the State's share of the demolition costs for their building would be available. The State funds of \$53,000 have been received. Although the actual decision by the State on construction of their new office building is in limbo at this time, staff is desirous of proceeding with the more difficult demolition in order to not delay the new State Office Building construction when the State is ready to proceed. The demolition of the buildings fronting on McAllister Street will be held until more definitive information on the new construction is received from the State.

Staff recommends awarding this demolition contract to the low bidder, Charles S. Campanella. This firm has satisfactorily completed several demolition contracts for the Agency and have satisfied their affirmative action and safety program. It was noted that a letter had been received from the State today indicating they may be delayed for nine months. Ms. Mary Rogers, Chairperson, WAPAC, indicated her concern that the buildings be put to some use rather than being demolished and used for parking, and Mr. Kernan stated that there may be a move to add the State building back into the budget and further the buildings on Golden Gate are in disrepair, an eyesore and a fire hazard and could

UNFINISHED BUSINESS (continued)

be put to use for parking.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 381-81 BE ADOPTED.

- (c) Public hearing to hear all persons interested in the conveyance of Parcel 1100-T, northeast corner of Divisadero and Ellis Streets, Western Addition A-2.

Resolution No. 372-81, authorizing execution of a Land Disposition Agreement with Nolan Frank for Parcel 1100-T, approving Disposition Value and ratifying the publication of Notice of Public Hearing, Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-T, Western Addition A-2.

It is requested that no action be taken regarding the Land Disposition Agreement with Nolan Frank for Parcel 1100-T located on the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. Mr. Frank is proposing to build 46 condominiums on Parcel 731-B and use the profits from their sales to construct 15 rental units on the subject Parcel 1100-T. However, the likelihood of successful financing of the condominium project has weakened in the past few weeks and for that reason staff and the developer are reluctant to enter into an LDA for the rental project. On November 3, staff will recommend an extension of exclusive negotiations rights for Parcel 1100-T, the rental project, and an extension of the performance schedule for Parcel 731-B, the condominium project.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that no action would be taken on Item (c) at staff request. There being no objection, it was so ordered.

- (d) Resolution No. 389-81, authorizing a Letter Agreement with the San Francisco Department of Public Works for planting of street trees, Western Addition A-2.

Approval is requested to issue a Letter Agreement to DPW for planting street trees in an amount not to exceed \$4,000. Funds provided under a previous Letter Agreement authorized March 31, 1981, are now expended. Having DPW perform this function has proven less costly than contracting privately for street tree planting, because it minimized inspection advertising and administration costs and assures that the trees will be accepted by the City upon completion of the work. During the next three months, the Agency needs to have approximately 20 trees planted at different locations in A-2.

Ms. Mary Rogers, Chairperson, WAPAC, indicated her concern that the City was not performing their obligation to maintain the trees and she was opposed to planting any more unless either the City would take the

UNFINISHED BUSINESS (continued)

responsibility or that the owners would be required to maintain them. Mr. Kernan explained that with budget cuts the City might not realistically be able to meet their obligations throughout the city but that before the trees are planted now, the property owner must sign that he will take care of them. Also, that with the City Contract, the City is still obligated to maintain the trees. Mr. Newman indicated that Ms. Rogers had a point about the City maintaining the trees and inquired if the trees were in front of improved property. Staff advised that the trees were placed only along improved properties.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 389-81 BE ADOPTED.

NEW BUSINESS

- (a) Resolution No. 397-81, authorizing a contract for messenger services with On Target Delivery Service, all projects.

Authorization is requested to enter into a messenger services contract with On Target Delivery Service for six months at \$2,000 per month. On Target's bid was the only one received. This contract has an option to renew for six additional months at the same rate and an Agency option to extend 12 months beyond the one-year period at no more than a 10% increase. This contract includes deliveries between Central Office and the four site offices, City Hall, the Post Office and the Commission. On Target has performed very well in the past and the contract contains a cancellation provision if services are not satisfactory.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 397-81 BE ADOPTED.

- (b) Resolution No. 398-81, authorizing a First Amendatory Agreement to the Land Disposition Agreement with Jones Memorial Homes, Inc. for Parcel 683-E, northwest corner of Post and Fillmore Streets, Western Addition A-2.

Authorization is requested of a First Amendatory to the LDA with Jones Memorial Homes, Inc. for the parcel located on the northwest corner of Fillmore and Post Streets. The LDA was approved on March 3 of this year for the developer to build 51 units of elderly housing and approximately 5,000 square feet of commercial space.

This amendatory provides for a six-month extension of performance dates based on the following: The developer is dependent on HUD Section 202 monies for architectural expenses as well as site acquisition and construction costs. A delay in the processing of the Jones Memorial Section 202 application has affected the completion of final construction drawings which were originally due on August 31, 1981. It was Staff's intention to proceed with an Amendatory Agreement at that time but HUD at about the same time advised that it was examining the necessity of the Developer creating a new corporate entity for this development because regulations state that a sponsor can only own one Section 202 project. Such a decision would disqualify Jones Memorial Homes, Inc.

NEW BUSINESS (continued)

In the event such a change was required, it would be necessary to obtain the Commission's approval of an Assignment of the LDA. Anticipating that HUD's decision would be enunciated expeditiously, staff decided to hold the Amendatory Agreement so that the Commission could act on both the Amendatory and Assignment at the same time. HUD finally decided that a new corporate entity was necessary and Jones Memorial Homes, Inc. established Jones Senior Homes, Inc., as the new entity but were required to revise all documents submitted to HUD. Until processing is completed, the Developer has no money to pay for the completion of the design work. The processing of the proposed Assignment is expected to take some time. Staff has, therefore, opted to bring this Amendatory to the Commission for approval at this time and will bring the Assignment to the Commission when all documentation has been provided.

The performance dates requested to be extended for six months are: Submission of Evidence of Financing from October 1981 to April 1982; Commencement of Construction from January 1982 to July 1982; and Completion of Construction from July 31, 1983 to January 1984.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 398-81 BE ADOPTED.

- (c) Resolution No. 399-81, authorizing rejection of proposals received to Offering No. 5 for housing development on Parcels AA-2, DD-2 and S-6, Hunters Point.

Approval is requested to reject the proposal received in response to Offering No. 5 from Louie H. Sherriffe for three market rate housing sites in Hunters Point. It also authorizes staff to solicit interest from developers and to enter into negotiations for a six-month period for those three sites.

Only one development proposal was received for each of the three sites from Louie Sherriffe, a Real Estate Broker from Oakland. The developer's proposal called for developing condominium housing on each of the sites.

Staff's analysis of the proposals found that the developer's experience in housing development was extremely limited; and the developer's capital is sufficient to develop only one of the smaller sites. In addition, staff, after meeting with developer and obtaining a revised proposal, found it still had major discrepancies which made it economically infeasible. Staff has met with Mr. Sherriffe to explain the matter to him and to emphasize that staff would be happy to negotiate with him for one of the smaller of the three parcels.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 399-81 BE ADOPTED.

- (d) Resolution No. 400-81, authorizing rejection of all bids submitted in response to Rehabilitation Offering No. 19 for 1410 Post Street, (Parcel 688-C(5)), Western Addition A-2.

NEW BUSINESS (continued)

It is requested that this item not be acted upon as calendared, which was to reject all bids received for Rehabilitation Offering No. 19 for the property located at 1410 Post Street in the Western Addition A-2. Information just received yesterday makes this action unnecessary and at next week's meeting a Public Hearing and LDA will be calendared for the Commission's consideration with Mr. Louis King and Mr. & Mrs. Monroe Green the highest bidders. As it stands now, Mr. King intends to reside in the building, which means that Mr. King and the Greens meet the requirements of the Offering. Our legal division is drafting a certificate to be signed by Mr. King and the Greens stating their plans to be owner-occupants and staff believes that Mr. King's statement was made in good faith and that he will adhere to it.

President Berk indicated that no action need be taken on this item and that a public hearing and LDA would be calendared for consideration next week.

- (e) Resolution No. 401-81 authorizing Redmond Kernan, Deputy Executive Director and Frank Cannizzaro, Project Director, Rincon Point-South Beach, to travel to Philadelphia, Pennsylvania from November 13-15, 1981, to attend the Urban Land Institute Conference.

Authorization is requested for Frank Cannizzaro, Project Director for Rincon Point-South Beach and Redmond Kernan to attend the Urban Land Institute's Fall Conference in Philadelphia, Pennsylvania on November 13-15, 1981, for an amount not to exceed \$2,500.

This institute, made up of persons interested in development, meets twice a year to review and evaluate aspects of the development field. The November Conference is particularly applicable to the Agency's program since there will be panels covering analysis of mixed-use development financing and inclusionary zoning for housing programs, and staff is involved in both these issues. Mr. Kernan is working with the Agency's development program on a daily basis and Mr. Cannizzaro is a participant in the development field in a significant way for Rincon Point. The conference will provide a forum for discussion of the Agency's program, as well as an opportunity to meet and learn from the development community.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING AND, UNANIMOUSLY CARRIED THAT RESOLUTION NO. 401-81 BE ADOPTED.

- (f) Resolution No. 404-81, election of Redevelopment Agency Secretary.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN AND UNANIMOUSLY CARRIED THAT RESOLUTION 404-81 ELECTING MR. LLOYD E. SINCLAIR TO THE POSITION OF AGENCY SECRETARY BE ADOPTED.

MATTERS NOT APPEARING ON THE AGENDA

Ms. Berk requested that a Resolution be presented to Ms. Sause for her past years as Agency Secretary.

Ms. Rogers indicated that with reference to Jones Memorial Homes development she was concern regarding their 202 funding and that HUD should not be able to change the rules in the middle of the stream, and she wanted some one on

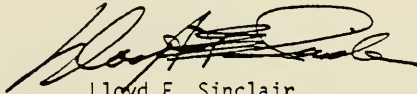
MATTERS NOT APPEARING ON THE AGENDA (continued)

staff to contact HUD about this. Mr. Kernan indicated that staff would endeavor to find out why HUD changed this rule, but most likely it was because of the required change in entity.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the meeting be adjourned to a closed session on litigation. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair", written in a cursive style.

Lloyd E. Sinclair
Secretary

APPROVAL

November 3, 1981

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12/81

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF NOVEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of November, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were William Hautt, Bridgemont Foundation; and Monroe Green, Thelma Green, Nolan Frank, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meeting of October 27, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of October 27, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The YBC plan Amendment was passed on second reading yesterday by the Board of Supervisors on a vote of 7-0.

- (b) Also, at yesterday's Board of Supervisors' meeting, the Board acted on two items concerning the Performing Arts Center Garage. First, a Resolution finding that housing over the garage is impossible at this date, failed by an 8-3 vote. The intention of that resolution was not to build the housing and if passed would have also rescinded Board of Supervisors' Resolution 746-81.

Second, a motion was considered which instructed the City Attorney to support Resolution 746-81 or alternatively for the Board of Supervisors to employ private counsel to intervene in the lawsuit entitled "Cloud v. Parking Authority". The motion failed on a tie 5-5 vote.

- (c) Report on NAHRO Conference - At the Annual Conference, the NAHRO leadership met with the Secretary and Assistant Secretary of HUD to address the proposed cuts in the 1982 and 1983 Community Development budgets. A crisis committee has been formed to work with HUD (Administration) and Congress to maintain funding at levels that will permit housing and Community Development programs to remain viable. As incoming National Vice President for CRAD, Mr. Hamilton will be participating on this committee and will keep the Commission advised. Although the budget message from Secretary Pierce was not cheerful, the Secretary did express a more favorable outlook for improving the Tax Exempt Revenue Bond situation which would assist our SB 99 Bond program.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Air Rights Parcel 792-A(1), northeast corner Grove and Gough; Western Addition A-2
Resolution No. 343-81, authorizing execution of a Land Disposition Agreement with Overture Associates and Isabella Tower Associates for Air Rights Parcel 792-A(1), approving Disposition Value and ratifying publication of Notice of Public Hearing; Western Addition A-2.

Staff recommends that this item be continued. It would not be appropriate for this Agency to hear this matter nor act on the execution of an LDA with Overture Associates and Isabella Tower Associates for the Air Rights for Parcel 792-A(1), until there is some resolution of the current lawsuit and the Board of Supervisors Resolution 746-81 referred to in today's Director's report.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Resolution No. 384-81, authorizing a Variance from the Height Limit Requirement of the Redevelopment Plan for Yerba Buena Center as related to the disposition of Assessor's Block 3750, Parcel 3750-A, Taylor Woodrow Site; Yerba Buena Center.

It is recommended that action on this matter be continued to December 8, 1981.

Staff met with the developer today and enumerated the Agency's strong concerns with regard to the fundamental design and massing of the development. The developer indicated that they would consider responding to these concerns.

In keeping with the settlement agreement, the LDA with Taylor-Woodrow must be executed in a specified sequence of events. The developer has signed the LDA and it will be brought to you for Public Hearing and consideration as scheduled on November 17.

Mr. Newman inquired if the Commission would be kept advised of design developments as early as possible and Mr. Hamilton replied affirmatively.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioners that Item (b) would be continued to December 8, 1981, at staff request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in conveyance of Parcel 688-C(5), 1410 Post Street; Western Addition A-2.

Resolution No. 372-81, authorizing the Agreement for Disposition of Land and improvements for rehabilitation with Louis R. King and Monroe Green, Sr., and Thelma R. Green for Parcel 688-C(5), approving Disposition Value and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the conveyance of Parcel 688-C(5), 1410 Post Street, Western Addition A-2.

Authorization is requested to enter into a Land Disposition Agreement with Louis R. King and Monroe and Thelma Green for the purchase and rehabilitation of a building at 1410 Post Street.

In November 1979, the Commission authorized Rehabilitation Offering No. 19 for the purchase and rehabilitation of 1410 Post Street. Seven bids were received with Mr. King and the Greens as the high bidders at \$51,050.50.

It has taken some time to resolve questions regarding construction costs and feasibility of financing the rehabilitation. Due to that time lapse, it was necessary to obtain an updated appraisal. The minimum disposal price is now \$46,800 which is still below the King and Green's bid.

Mr. King with 51% ownership will exercise his Residential Certificate and be an owner-occupant which meets the requirement in Offering No. 19 that only valid Residential Certificate holders be considered who would occupy the property. The Greens will also be owner-occupants with 49% ownership.

Mr. King and The Greens have obtained an acceptable contractor, they have sufficient income to meet the monthly payments and a source of equity capital, which when combined with an Agency Marks-Foran Loan we believe will ensure successful rehabilitation of this property.

The building was moved from 1838 Buchanan and is presently resting on mover's cribbing. The structure, which was originally built in the 1890's as a two-story single family dwelling has had drawings and specifications for the rehabilitation prepared by staff.

Mr. Green, a self-employed barber, has been in the community for many years and had his first business on Fillmore Street and Mr. King previously resided in the Western Addition before being relocated.

WAPAC has been advised of this recommendation and concurs with it.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 372-81 BE ADOPTED.

- (b) Resolution No. 373-81, authorizing execution of a First Amendatory Agreement to the Agreement for Disposition of Land with Nolan Frank for Parcel 731-B, northwest corner of Eddy and Fillmore Streets; Western Addition A-2.
- (c) Resolution No. 400-81, granting a Third Extension of Exclusive Negotiations with Nolan Frank for Parcel 1100-T, northeast corner of Divisadero and Ellis Streets; Western Addition A-2.

It is requested that items 9(b) and (c) be discussed together, with action taken on each item separately. On item 9(b), authorization is requested to enter into a First Amendatory Agreement to the LDA for Parcel 731-B, located on the northwest corner of Eddy and Fillmore Streets; and on item 9(c), authorization is requested to extend Exclusive Negotiations for Parcel 1100-T, located on the northeast corner of Divisadero and Ellis. Both actions are with the developer, Nolan Frank.

Parcel 1100-T was calendared on October 13 as a Public Hearing and LDA, and Parcel 731-B was calendared for a First Amendatory. This development for 15 rental units is dependent on the success of the development of the 46 residential condominiums on Parcel 731-B, as the profits from the sales are to be used to subsidize the rentals

NEW BUSINESS (continued)

and commercial space. Just prior to the Commission meeting on the 13th of October, Mr. Frank's management consultant, Jefferson and Associates, expressed concern about efforts to secure financing for the condominium development and in turn the rental development. Originally, the Bank of America had expressed interest, but the consultant felt their position had softened considerably. Jefferson and Associates have begun to look for other interested leaders and have also suggested the developer make some major changes in design to improve its marketability. It is felt that it is premature to enter into an LDA for Parcel 1100-T without a strong expression of interest from a lender.

Therefore, the developer has requested an extension of Exclusive Negotiations until March 30, 1982 for Parcel 1100-T and for Parcel 731-B extension dates for submission of evidence of financing from January 1982 to July 1982; commencement of construction from April 1982 to October 1982 and completion of construction from June 1983 to December 1983.

In reply to Mr. Newman's inquiry on whether other persons had expressed interest in Parcel 731-B, Mr. Suttle indicated Mrs. Yarborough was interested in the property, but did not have the capacity to develop it.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 373-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 400-81 BE ADOPTED.

- (d) Resolution No. 405-81, authorizing a License Agreement with Bridgemont Foundation for the use of Agency-owned land at the southeast corner of Third and Harrison Streets; Yerba Buena Center.

Authorization is requested of a license agreement with Bridgemont Foundation for use of the parcel at the southeast corner of Third and Harrison. The parcel will be used to maintain a development sign to announce the future home of Bridgemont High School. Bridgemont is the designated developer for this site; tenancy will be on a month-to-month basis with Bridgemont maintaining the sign until the site is conveyed in January 1983. At this time the parcel is being rented as a commercial off-street parking lot, however, the sign will not interfere with that operation.

Staff recommends no rent be charged, since the sign will not only provide information on the future Bridgemont High School, and aid in the current Bridgemont Foundation fund raising, but will also identify the High School as one of the proposed developments within YBC.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 405-81 BE ADOPTED.

- (e) Resolution No. 406-81, authorizing a contract for Professional Services with Questor Associates for housing finance studies; Rincon Point-South Beach.

Authorization is requested to enter into a Professional Services Contract with Questor Associates to conduct housing studies for the Rincon Point-South Beach Project, in an amount not to exceed \$50,000.

The Commission authorized negotiations with this firm in September of this year. The contract will call for conducting housing studies in two phases.

The first phase, called Housing Cost Background, will yield housing cost models, the development and operating costs, and measure these costs against the ability of low-and-moderate income families to afford them. This will give us the magnitude of housing subsidies needed in this area, where our goal is to develop 50% of the area's 2,500 units for low-and-moderate income households.

During the second phase, called Housing Finance Alternatives, the consultant will investigate all potential means of supplying subsidies, including state and federal subsidy programs, public/private partnerships, local financing sources. This phase provides for the design of new financing mechanisms as necessary to meet our goal.

Staff has reviewed the Affirmative Action program and has found that the subconsultant, Blyth Eastman Paine Weber & Kutak Rock and Huie have good records in minority employment; and Questor has provided a commitment to improve its level of minority employment.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 406-81 BE ADOPTED.

- (f) Resolution No. 407-81, authorizing travel and related expenses for Douglas C. Myers, Development Coordinator, and G. William Haskell, Senior Planner to travel to Los Angeles, California to meet with HUD Central Office UDAG Staff November 9, 1981.

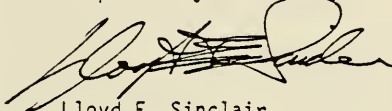
Authorization is requested for Douglas Myers, Development Coordinator and William Haskell, Senior Planner to travel to Los Angeles on November 9 to meet with UDAG Staff from HUD Central Office to review the UDAG progress report for the Fillmore Neighborhood Commercial Development in the Western Addition A-2. The round trip cost will not exceed \$400 for both persons and UDAG Administrative Funds are available.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 407-81 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a closed session at 510 Larkin Street, San Francisco to consider personnel matters. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Lloyd E. Sinclair', written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

November 10, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF NOVEMBER, 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of November, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

Dian Blomquist

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Steven Miranda, Information Research Institute; Mary Helen Rogers, WAPAC; Robert Dobrin, San Francisco State; Sim Seiki and Ted Lee, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Newman, and unanimously carried that the minutes of the regular meeting of March 18, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of May 20, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of November 3, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the minutes of the closed session of November 3, 1981, as distributed by mail to the Commissioners be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Hamilton has been on vacation and is now in Washington, D.C. and will return to the office Thursday, November 12, 1981.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The WAPAC Convention was held November 7, 1981. Commissioner King was in attendance as well as Gene Suttle and Redmond F. Kernan. Mayor Feinstein gave the key note address at noon. There were no major issues. Ms. Mary Rogers, Chairperson, WAPAC, expressed concern about the site of the Safeway Store.
- (c) Mr. Kernan will be at a Urban Land Institute conference starting November 12 and will be back in the office November 17, 1981.
- (d) The Agency's offices will be closed Wednesday, November 11, 1981 in observance of Veterans Day.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Air Rights Parcel 792-A(1), northeast corner Grove and Gough; Western Addition A-2

Resolution No. 343-81, authorizing execution of a Land Disposition Agreement with Overture Associates Isabelle Tower Associates for Air Rights Parcel 792-A(1), approving Disposition Value and ratifying publication of Notice of Public Hearing; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the conveyance of Air Rights Parcel 792-A(1), northeast corner of Grove and Gough, Western Addition A-2.

Overture Associates, Isabelle Tower Associates, the proposed developer of housing over the Performing Arts Center Garage, has withdrawn from the proposed developer position. Therefore this item no longer requires any action. A new developer, Campeau Corp., was solicited and had proposed being the substitute developer, but after review of this development has determined that the project is financially infeasible. The Agency has done everything it can to hold this matter open, but since there is no longer a proposal for the housing, it is believed inappropriate to do so. It is anticipated that the Mayor will, on the basis of financial infeasibility, request that the Board of Supervisors reconsider her request that they rescind their earlier position on having housing over the Performing Arts Center Garage and thereby hopefully remove the basis for the lawsuit.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

Mr. Newman inquired as to why this development was financially infeasible, and Mr. Kernan indicated that the site costs per unit would be \$30-\$35,000 which is excessive for this location.

NEW BUSINESS

- (a) Resolution No. 408-81, approving the Fifth Amendatory Agreement to the Addendum to the Agreement contemplating a Negotiated Disposition of Land for Private Redevelopment by and between the Agency and the Nihonmachi Community Development Corporation, with respect to Disposition Parcel 686-G, and authorizing execution thereof; Western Addition A-2.

NEW BUSINESS (continued)

Authorization is requested of a Fifth Amendatory Agreement to the Land Disposition Agreement with the Nihonmachi Community Development Corporation for the parcel allocated to Mr. and Mrs. Sim Seiki.

This Amendment will revise the performance schedule for the parcel located on the northwest corner of Post and Laguna Streets. The developer is proposing to relocate the four housing units from the site to a portion of the parcel proposed for common parking. The proposed co-developer, Mr. Ted Lee, met with WAPAC, the Nihonmachi Parking Corp. and staff last Thursday, November 5 regarding the relocation, but the matter was not resolved and another meeting has been set for November 18. Since a Notice of Default issued on September 8 contained a cure date of today, November 10, an extension is being sought.

It is staff's desire to see that the new location for these units is assured and an extension will permit Staff, WAPAC, NCDC and the Nihonmachi Parking Corp. to determine a mutually acceptable location for the housing. When that is agreed upon, a Sixth Amendatory Agreement will be calendared for your consideration containing language to assure the housing and a new performance schedule.

This Fifth Amendatory Agreement will permit the performance dates to be changed for: Submission of Evidence of Financing from September 1981 to January 1982; Commencement of Construction from November 1981 to March 1982; and Completion of Construction from November 1982 to March 1983.

Mr. Lee inquired, since the question of the housing location will have to be approved by four parties, the Agency, WAPAC, NCDC and Nihonmachi Parking Corporation, how much time is it expected to take before the Sixth Amendatory comes back to the Commission for approval. Mr. Richard Kono, Acting Development Director, indicated that it was hopeful that an agreement between the four parties would occur this month and the matter brought back to the Commission in January 1982.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 408-81 BE ADOPTED.

- (b) Resolution No. 409-81, authorizing execution of Second Amendment to Agreement for Legal Services with the law firm of Jones, Hall, Hill & White, Hunters Point.

Approval is requested of a Second Amendment to the Legal Services Contract with Jones, Hall, Hill and White in the amount of \$1,016.88 in connection with the Hunters Point Project Area.

Jones, Hall, Hill and White were originally contracted with to perform legal services as Bond Counsel in connection with the Agency's SB-99 Residential Construction Loan Program for the initiation of the 70 single family housing program in Hunters

NEW BUSINESS (continued)

Point utilizing a \$4,500,000 bond issue. Prospective developers were unable to obtain construction financing and the bond issue was never utilized.

Subsequently, 14 homes to be developed by the Wouldridge Co. and 55 homes by Bay Vista Homes were proposed to use the bond financing, but because of inflation and increased construction costs the \$4,500,000 became insufficient. Therefore, the bond issue to finance Wouldridge had to be restructured and for Bay Vista a separate, publicly sold bond issue had to be prepared. The Commission approved the issuance of the Wouldridge financing in August 1981 and it is anticipated that the Bay Vista bonds will be calendared in a few weeks.

Since the time of the initial \$4,500,000 bond issue, it has become apparent that it is advisable to fund bond counsel legal services out of bond proceeds as a percentage of each bond issue rather than on the basis of an hourly fee as had been the practice. Starting with the Bay Vista Homes bond issue, legal services will be funded in this manner. However, the Wouldridge bond issue did not provide for payment of bond counsel fees and it is thus necessary to pay the fees in accordance with the existing Jones, Hall, Hill and White contract. A final billing has been received for services rendered as of June, 1979 through July, 1981, which exceeds the amount available in the contract by \$1,016.88.

Mr. Arnelle inquired what the final billing was and Mr. Kernan indicated that the original amount of the contract was \$22,500, and with the approval of this amendment of \$1,016.88 it would bring the total to \$23,516.88. In reply to Mr. Arnelle's inquiry of the firm's Affirmative Action program, Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated that the firm had eight attorneys one of which is black. It has been recommended to this firm and they have agreed, to make a greater effort to recruit minorities.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 409-81 BE ADOPTED.

- (c) Resolution No. 410-81, authorizing the Executive Director to exercise the Agency's option to repurchase units in the Mariners Village Condominium Development and to assign such option to qualifying Third Parties.

Authorization is requested for the Executive Director to exercise the Agency's option to repurchase condominium units in Mariners Village (formerly Inchon Village) and to assign this option to third parties qualified to purchase under the provisions of Section 235.

The Mariners Village conveyance instruments provide that should an owner desire to sell a unit within 4 years of purchase,

NEW BUSINESS (continued)

the Agency shall have the option of repurchasing and assigning the repurchase to a Third Party. It was the Agency's intent and purpose in Mariners Village, to provide home ownership to low-to-moderate income households. By exercising this option to repurchase, the Agency can assure that the intent is preserved for at least 4 years. Further, by assigning an option to repurchase to families which meet the Section 235 qualifications, the interest subsidies currently in effect will be retained at Mariners Village.

To safeguard against windfall profits by the seller, the repurchaser is only required to pay a purchase price equal to the sum of the purchase price paid by the owner, plus appreciation based on the percentage of increase in the San Francisco Consumers Price Index during the period of ownership, plus any cost of capital improvements approved by the Homeowners Association. The Agency has 30 days from receipt of written notice of the owner's intent to sell in order to exercise its repurchase option.

The Agency has received its first written notice that one of the owners wants to sell and in this particular case the Agency must exercise its option by November 16. A family has been identified who desires to purchase and appears qualified for the 235 Program. However, it does take some time to receive official notice of their qualification and HUD's approval.

In order that the Agency can have the capacity to act on these matters in a timely fashion and avoid Commission action in each case, the subject resolution will provide general authorization to the Executive Director to exercise and assign all options in like circumstances.

In reply to Ms. Mary Rogers, Chairperson, WAPAC, inquiry, Mr. James Wilson, Area Director, Hunters Point, indicated that the resale cost for this four-bedroom unit could only be estimated at this time. The original price of \$63,360.00 plus the inflation factor, which should be about \$600.00 will produce a resale price of about \$63,960.00, depending on when escrow closes.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 410-81 BE ADOPTED.

President Berk inquired if the family chosen for repurchase was in the original group and if a waiting list was being established. Mr. Wilson indicated affirmatively to both questions.

Mr. Newman inquired that assuming the Agency did not exercise their option, how would the unit be sold and Mr. Kernan replied it would be sold at fair market value. The Agency had wanted to have this option for a longer period of time, but HUD would only allow it for a four year period.

- (d) Resolution No. 411-81, authorizing Execution of a Termination Agreement regarding the Agreement for Disposition of Land for Private

NEW BUSINESS (continued)

Development with Crown Technology Corporation, Parcel F-6 (south side of Evans Avenue between Mendell and Keith Streets); India Basin Industrial Park.

- (e) Resolution No. 412-81, authorizing Execution of a Termination Agreement regarding the Agreement for Disposition of Land for Private Development with Darwest Associates, a General partnership, Parcel F-8 (southwest corner of Evans Avenue and Keith Street); India Basin Industrial Park.
- (f) Resolution No. 413-81, authorizing Execution of a Termination Agreement regarding the Agreement for Disposition of Private Development with Kevin Patrick Cronin and Patrick J. Coyne, Parcel I-2 (south side of Fairfax Avenue between Mendell and Keith Streets); India Basin Industrial Park.

It is requested that since 9-d, 9-e, and 9-f relate to termination agreements to LDA's in the India Basin Industrial Park and subsequent return of the developers deposit, that they be introduced simultaneously, but acted on separately.

Item 9-d, authorization is requested of a Termination Agreement with Crown Technology Corporation and return of their deposit of \$3,100 for the parcel located on the south side of Evans Avenue between Mendell and Keith Streets. Due to personal and business constraints the developer has withdrawn from the program.

Item 9-e, authorization is requested of a Termination Agreement with Darwest Associates and return of their deposit of \$9,660 for the parcel located on the southwest corner of Evans Avenue and Keith Street. Both Darwest and the Mayor's Office of Economic Development have discontinued their search for development funds for this project, due to the general state of the economy.

Item 9-f, authorization is requested of a Termination Agreement with Kevin Patrick Cronin and Patrick J. Coyne and return of their deposit of \$2,365 for the parcel located on the south side of Fairfax Avenue between Mendell and Keith Streets. The developer experienced great difficulty in an attempt to negotiate a financial commitment from their bank who believed the developer could not readily service the project debt at today's interest rates.

In the future the practice of requiring developers in India Basin to execute Termination Agreements will be discontinued, and the Agency will retain the developer's deposit.

Mr. Lee inquired as to the status of the advertising of property in India Basin and Mr. Don Boykin, Business Development Specialist, indicated that 19 firms had responded to recent advertising and expressed intent to submit proposals.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 411-81 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 412-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 413-81 BE ADOPTED.

- (g) Resolution No. 414-81, authorizing a Second Amendment to Personal Services Contract with Economics Research Associates; Yerba Buena Center.

Authorization is requested of a Second Amendment to the Personal Services Contract with Economics Research Associates (ERA) dated November 20, 1978, which would increase the contract by \$20,000.

The First Amendment, authorized in April of this year, was to update economic viability, feasibility, analyze appropriate risks and attendance projections and prepare a pro forma and developer responsibilities in connection with the Amusement/Recreation and Entertainment uses in the Central Blocks. The First Amendment added \$20,000 to the original \$62,500. ERA has assisted the Agency in all aspects of the marketing and developer selection process for the Amusement/Recreation and Entertainment uses in YBC and participated as members of the development selection committee.

As part of this contract, ERA will continue to update the economic aspects of the Amusement/Recreation and Entertainment uses proposed in the mixed-use development, which will be necessary during the entire negotiation process in assisting the Agency in evaluating the Olympia & York economic package as it relates to those uses.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 414-81 BE ADOPTED.

In reply to President Berk's inquiry, Mr. Kernan indicated that this contract would be used on an as needed basis during the negotiating period with Olympia and York.

- (h) Resolution No. 415-81, authorizing a Professional Services Contract with Environmental Science Associates for a Second Supplement to the Environmental Impact Report; Yerba Buena Center.

Authorization is requested to contract with Environmental Science Associates, Inc. to prepare a Second Supplement to the Final Environmental Impact Report for Yerba Buena Center in an amount not to exceed \$163,900. In 1978, the Final EIR analyzed the environmental effects on the Moscone Convention Center and alternative development scenarios for the balance of YBC.

The First Supplement, certified in July 1981, analyzed in more detail, potential development on the two blocks within YBC including the current GSA site.

NEW BUSINESS (continued)

This Second Supplement will update the environmental analysis contained in the 1978 FEIR and the First Supplement wherever necessary in light of development program modifications which have been requested by Olympia & York for consideration during exclusive negotiations and other program modifications initiated by staff. It will also provide necessary environmental information to the public and decision makers in connection with the approval of a Land Disposition Agreement for much of the central portion of YBC. This supplement will analyze areas not previously covered in order that the three documents, the original 1978 FEIR, the First and Second Supplements may be considered together.

The Scope of Services for this second supplement has been formulated and agreed upon by staff, the Department of City Planning's Office of Environmental Review and Olympia and York. This scope of services will also be sent to private citizens and public interest groups for their comment. If they raise substantial environmental issues not presently covered that staff believes should be included, an amendment to this contract will be requested.

Staff believes this Second Supplement is necessary for the Commission's information prior to being able to act on the Land Disposition Agreement with Olympia and York.

ADOPTION: IT WAS MOVED BY MR KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 415-81 BE ADOPTED.

President Berk announced that the meeting would be recessed to a closed session to consider a personnel matter. The regular meeting recessed at 4:45 p.m. The regular meeting reconvened at 5:25 p.m.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Leroy King
Haig G. Mardikian
Walter S. Newman

and the following were absent:

H. Jesse Arnelle
Dian Blomquist

MATTERS NOT APPEARING ON AGENDA

- (a) Authorization is requested to give the Executive Director the authority to terminate Imperial Protection Services' security guard contract in the Western Addition A-2 Project, and to negotiate with another firm for these services as may be appropriate.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR IS HEREBY GIVEN THE AUTHORITY

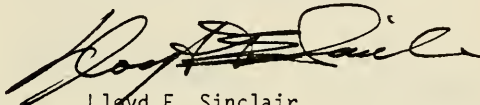
NEW BUSINESS (continued)

TO TERMINATE IMPERIAL PROTECTIONS SERVICES' CONTRACT AND TO NEGOTIATE
WITH ANOTHER FIRM FOR THESE SERVICES AS MAY BE APPROPRIATE.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian, and unanimously carried
that the meeting be adjourned. The meeting adjourned at 5:27 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lloyd E. Sinclair", written over a horizontal line.

Lloyd E. Sinclair
Secretary

APPROVED

November 17, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF NOVEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of November, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Leroy King
Haig G. Mardikian
Walter S. Newman

and the following were absent:

H. Jesse Arnelle
Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Ben Stewart and Mary H. Rogers, Western Addition Project Area Committee (WAPAC); Andrew Zolnay, State Department of General Services; John Ridley, Delancey Street Foundation; J. Parish, Information Research Institute; William McCabe, Taylor Woodrow; Al Hicks and John Wouldridge, Wouldridge Investment Company, Inc.

Representing the press were E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of November 5, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of November 10, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of November 10, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

(a) Report on NAHRO Crisis Committee Meeting in Washington, D.C.

Last week Mr. Hamilton attended a meeting of NAHRO's Crisis Committee in Washington, D.C. as Vice President of NAHRO's National Community Revitalization and Development Committee (CRAD). Severe budget cuts have recently been made, as you are aware, in Federal Housing and Community Development programs, and the NAHRO Crisis Committee met to address these and proposed deeper cuts in Community Development Block Grants to localities across the country including San Francisco.

The Community Development Block Grant Program has already been cut 10% nationally which resulted in a \$2.5 million reduction in San Francisco's entitlement for 1982. A proposed additional 12% cut nationally, if enacted, could require an additional reduction in San Francisco's entitlement of another \$2.5 million for a level of 1982 funding at \$22.5 million versus \$27.5 million received in 1981.

The Committee met with Congressman and legislative staff including Congressman Edward P. Boland, Chairman of the Housing Committee on HUD Appropriations; and Congresswoman Linda Boggs and Congressman Green, members of the HUD Appropriation Committee, who indicated their understanding of the NAHRO Committee's concerns and with whom we made substantial progress. The Committee also met with the Office of Management and Budget Staff who were not conciliatory and indicated the Administration's intent to continue its push for budget reductions.

Additional meetings of NAHRO Crisis Committee are expected in December to pursue every course possible to prevent further cut backs to Housing and Community Development programs.

(b) Performing Arts Center Garage Housing

We have received a copy of an additional letter from the Mayor to the Board of Supervisors which requests again, that the Board of Supervisors reconsider its earlier position on having housing over the Performing Arts Center Garage in Western Addition A-2 and to rescind Resolution No. 746-81. The Mayor indicated that after extensive negotiations with the proposed developer Campeau, Inc., the developer had concluded the project was not feasible based on prohibitive costs for the housing and foundation reinforcement. This action, if taken by the Board of Supervisors according to the City Attorney, would remove the basis for the lawsuit against the Parking Authority. We are advised that the Board of Supervisors will consider the Mayor's request at their meeting next Monday, November 23rd.

NEW BUSINESS

- (a) Resolution No. 343-81, authorizing a Letter Agreement with the City and County of San Francisco to provide the services of an employee to the Mayor's Office of Housing and Community Development.

NEW BUSINESS (continued)

Authorization is requested of a Letter Agreement with the City. This agreement will continue a work order arrangement to provide the services of Mr. Martin Gustavson, an employee of the Agency, to the Mayor's Office of Housing and Community Development (OCD) for the 1982 Community Development year. Mr. Gustavson holds the position of Deputy Director for Fiscal Management and Program Performance with OCD.

This work order continues an arrangement started in 1972 to staff OCD with technicians familiar with HUD programs. The Department of City Planning and the Agency each cooperated by transferring an employee to work for OCD.

The work order arrangement allows Agency employees to be on leave of absence from the Agency which permits their continued participation in the State (PERS) retirement system. This arrangement is based on annual approvals of the City's Community Development Program by the Mayor and the Board of Supervisors and Community Development funds have been set aside in OCD's 1982 administrative budget to continue this work order. The City Attorney and Agency Legal Counsel have prepared the appropriate Letter Agreement.

The Agency is fully reimbursed by the City for actual salary and fringe benefits plus an indemnification by the City for any liability incurred as a result of these services. Staff believes it is in the Agency's best interest to continue this arrangement.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 343-81 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the conveyance of Parcel 3750-A, southeast corner of 3rd and Folsom Streets; Yerba Buena Center

Resolution No. 416-81, authorizing execution of a Land Disposition Agreement with Taylor Woodrow, a California Corporation, for Parcel 3750-A, approving the Disposition Value and ratifying the publication of Notice of Public Hearing; Yerba Buena Center.

President Berk opened the public hearing to hear all persons interested in the conveyance of Parcel 3750-A, southeast corner of 3rd and Folsom Streets, Yerba Buena Center.

Authorization is requested to enter into a Land Disposition Agreement with Taylor Woodrow for the parcel located on the southeast corner of Third and Folsom.

In April 1969, the Agency entered into an LDA with Taylor Woodrow for development of an office building on the subject parcel, but because of number of legal obstacles the development did not go forward.

NEW BUSINESS (continued)

A new LDA was negotiated and executed in April 1974 with a conveyance date of October 1975. Subsequent to that, a number of legal actions occurred. In 1978, Taylor Woodrow filed suit against the Agency and others for declaratory relief to continue their right to develop the property and for monetary damages of \$1,500,000. This suit successfully prevented the Agency from developing the land.

In March 1980 the Agency and Taylor Woodrow reached a settlement agreement to terminate the lawsuit with the major provision of the agreement being that for the first time, market rate housing would be produced south of market.

An 18-month exclusive negotiating period was granted, with specific performance obligations to be met. Also during this period the Agency and Taylor Woodrow had separate appraisals prepared that were effective May 22, 1980 to November 22, 1981 and established a land price of \$1,988.37 per dwelling unit. When the design is more clearly defined the land price will be established based on the final number of dwelling units.

Taylor Woodrow submitted schematic drawings in March 1981, which would necessitate a variance from the Redevelopment Plan height limits. These schematics were presented to you on April 14, 1981, and subsequently approved by staff under the terms of the settlement agreement on April 22, 1981 subject to a check list of Agency concerns, including the matter of the variance.

Taylor Woodrow is now considering a total redesign of the project which is hoped can be done within the next 60 days. Staff will keep you updated on design progress.

However, under terms of the settlement agreement, the schematic drawings have been approved by the Agency, and the LDA so indicates. The submission of additional schematics is being done by the developer in an attempt to address the Agency's concerns regarding the basic design of the project.

Under the terms of the proposed LDA, the site may be developed with up to 645 rental or condominium units, 700 parking spaces and up to 45,000 square feet of neighborhood oriented retail commercial.

The LDA performance dates are:

- Submission of evidence of financing by November 22, 1982;
- Conveyance of the site not later than January 22, 1983;
- Commencement of construction 60 days after conveyance;
- and Completion of construction 36 months after start of construction.

An additional 90 days from those dates in the settlement agreement have been provided for submission of preliminary and final construction documents because of the delays necessitated by the proposed height

NEW BUSINESS (continued)

variance. Because of the current redesign it may be necessary to further amend these dates to achieve an acceptable development.

Mr. Leo Borregard, General Counsel, read into the record the changes to the LDA that were sent to the Commission, which were essentially housekeeping changes.

Mr. William McCabe indicated he was representing Taylor Woodrow, as Mr. Robert Upton was unable to attend the meeting today, and would answer any questions.

In reply to Mr. Lee's inquiry, Mr. McCabe indicated that in view of the Commission's concern, a change in architects was under consideration and a new design may be appropriate.

Mr. Newman inquired if the Commission found the new design unsatisfactory, what would be the next steps and Mr. Hamilton indicated that there would be workshops and design reviews held to give the Commission an opportunity for review.

Mr. Newman inquired as to why we were approving the LDA now and Mr. Borregard indicated because the Settlement Agreement requires it be executed on or before November 21, 1981, to hold the land price.

Mr. Newman stated he would vote for approval of the LDA as he wanted this project to be a credit to Taylor Woodrow and the City and hoped that it would be. Mr. McCabe indicated they were working on a short time frame, but were committed to doing it.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 416-81 BE ADOPTED.

- (c) Resolution No. 417-81, authorizing execution of a First Amendatory Agreement to the combined Agreement for Disposition of Land and Owner Participation Agreement with the State of California for Parcels 767-A and B, block bounded by Van Ness and Golden Gate Avenues and Franklin and McAllister Streets; Western Addition A-2.

Authorization is requested of a First Amendatory Agreement to the Land Disposition Agreement with the State of California for Parcels 767-A and B located in the block bounded by Van Ness, Golden Gate, Franklin and McAllister.

The LDA was authorized on June 16, 1981, with the State of California for the development of an office building and garage. At this time, the development is on schedule, since the State has completed the design of the building and the Agency has contracted for clearance of the site. However, the State has experienced a shortage of

NEW BUSINESS (continued)

revenues and the Governor has ordered a moratorium on capital projects such as this, thus funds are not available for the construction of the office building. Under these circumstances, the State has requested a nine month extension of the performance dates. This extension would allow time to apply for funds from the 1982-83 budget if the appropriate funds are not released for this year.

The schedule would be changed to submit evidence of financing from January 1982 to October 1982 and to convey the site from February 1982 to November 1982.

Ms. Mary Rogers, Chairperson, WAPAC, expressed her concern that the Agency should have a policy on not demolishing buildings until the developers were ready to build. Mr. Hamilton responded that was Agency Policy and President Berk and Mr. King indicated that this had been discussed at a previous meeting and was made clear then that the Agency was not demolishing the buildings on McAllister Street at this time.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 417-81 BE ADOPTED.

- (d) Resolution No. 418-81, authorizing a Rental Agreement with the Delancey Street Foundation, Inc., for the use of cleared, Agency-owned land for the purpose of operating a Christmas Tree Sales lot; Western Addition A-2.

Authorization is requested to enter into a rental agreement with Delancey Street Foundation, Inc. for use of the parcel on the north-east corner of Turk and Franklin, as a Christmas tree sales lot.

Delancey Street Foundation is a non-profit, self-help organization for former drug addicts, alcoholics and criminal offenders. They operate numerous businesses and currently have 300 participants, 175 of whom are minorities. Its Christmas tree sales project, a San Francisco tradition, will give away up to 5,000 toys to the needy, and starting December 23 they will give free Christmas trees to anyone not financially able to purchase one.

The land will be used rent free from November 22 to December 31, 1981, which use will not delay delivery of this parcel to the designated developer Michael O'Neill. Conveyance to O'Neill is expected to occur in January 1982 with construction to begin February 1982.

A slight possibility does exist where the Agency might be requested to convey this parcel before the end of this year. To take care of that contingency, staff has had Mr. O'Neill provide a written statement that, should this happen, he would not object to the interim use of the Christmas tree lot operation.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 418-81 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 419-81, authorizing a Fourth Amendatory Agreement to the Agreement for Disposition of Land with John H. Wouldridge Investment Company, Inc., for Parcels T-1 through T-7; Hunters Point.

Authorization is requested of a Fourth Amendatory Agreement to the LDA with John Wouldridge Investment Company for Parcels located on Hudson Avenue at Keith Street in Hunters Point. The LDA was approved in March 1978 for developing 14 single family homes in two phases. The first two lots of the development were conveyed to the developer on November 20, 1980. Subsequent amendatories revised the performance schedule for submission of financing, conveyance and start of construction of the first two units.

This extension is required since the first two units are not completed and the developer needs additional time to complete the remaining units. Completion of the first two units is expected in three weeks and Mr. Wouldridge has informed the Agency that Olympic Savings will be providing financing for the balance of the units, however, as a precaution he is obtaining a back-up commitment from another lender.

The recommended performance changes are:

Phase I - Parcel T-6 (2 lots)

Completion of Construction from July 1981 to December 1981

Phase II - Parcels T-1 through T-7 (12 lots)

Submission of Evidence of Financing from August 1981 to January 1982 for 5 of the lots and for the other seven lots from December 1981 to January 1982.

Completion of Construction from May 1982 to October 1982 for 5 of the lots and for the other seven lots from September 1982 to October 1982.

Mr. Wouldridge has encountered high interest rates and construction costs and more delays in construction than could possibly be anticipated for a development of this size. However, he is very resourceful and committed to completing the first new market-rate housing in Hunters Point. The developer has also completed all rough site grading and construction of a retaining wall along the rear portion of the remaining 12 lots. To change developers now could jeopardize the SB-99 financing.

Mr. Al Hicks, Wouldridge Investment Co., expressed to the Commission the problems Mr. Wouldridge had encountered and that Mr. Wouldridge had used his own funds in order to complete the first two units, but that he was very committed and determined to complete the development and urged the Commission to vote favorably for this Fourth Amendatory Agreement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 419-81 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 420-81, a Fourth Supplemental Resolution further amending Resolution No. 193-78, Entitled "A Series Resolution authorizing the issuance of A Series of Residential Construction Mortgage Revenue Bonds of the Redevelopment Agency of the City and County of San Francisco, 1978 Series A", to amend said Resolution, as amended, to add a Part II providing for the issuance of Residential Construction Mortgage Revenue Bonds 1978 Series A, Bay Vista Homes Limited; Hunters Point.
- (g) Resolution No. 421-81, a Resolution approving Bond Purchase Agreement, Origination and Servicing Agreement, Developer Agreement, Investment Agreement, The Official Statement and authorizing and directing certain actions with respect thereto.

These items are in regard to bonds to be issued in connection with a development by Bay Vista Homes Limited, a Limited Partnership, consisting of Dukes-Dukes and Associates, Inc. as general partner and Cal Fed Enterprises and Nick Tavaglione Construction Company as limited partners for scattered parcels in Phase I of Hunters Point. Details of the financing have not been completed at this time, as staff had anticipated and it is therefore requested that these items be continued one week.

Mr. Newman noted on another bond matter, that in the Memorandum to the Commissioners regarding mortgage revenue bonds for the Ballet Association development it indicated that the SB-99 program was for both residential and commercial developments. Mr. Newman inquired that when this item goes before the Board of Supervisors for approval will the fact that the Ballet School is a commercial development detract from available SB-99 funds for residential construction and Mr. Hamilton indicated that the SB-99 program operates separately in the housing and commercial markets and there is no competition between the two.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Items (f) and (g) would be continued for one week at staff request. There being no objection it was so ordered.

- (h) Resolution No. 422-81, ratification of Travel Authorization for Wilbur W. Hamilton, Executive Director, on November 9-10, 1981 to Washington, D.C.

Authorization is requested to ratify the action of the Commission President in approving Mr. Hamilton's travel to Washington, D.C. this month. NAHRO declared public housing authorities and Community Development funded agencies in a state of crisis and designed a program to combat further budget cuts proposed by President Reagan. Since Mr. Hamilton is Chairman of the Crisis Committee of NAHRO, it was deemed essential to the Agency that he travel to Washington to meet with Congressional Representatives, White House Staff, HUD and other officials in a two day session held November 9 and 10. Cost to the Agency did not exceed \$1,000.00.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING , AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 422-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 432-81, authorizing a contract for emergency roof repairs on the Agency-owned building at 1400-½ Post Street, Western Addition A-2.

Mr. Earl P. Mills, Deputy Executive Director, Community Services reported that authorization is requested to expend \$1,400 to repair the roof of the building at 1400-½ Post Street. Due to the recent heavy rains it has become necessary to have the roof repaired in order to eliminate leakage in the building.

Mr. Newman inquired what funds were used to cover this item and Mr. Hamilton indicated that funds from the Property Management Budget were used. Mr. Newman also inquired as to whether there was a way to handle emergencies without waiting for Commission approval in order to avoid inconvenience to tenants and Mr. Hamilton indicated that the Executive Director has those powers and uses them when necessary and Mr. Mills advised that the difficulty in this case was getting a contractor.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 423-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Mardikian , and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

Lloyd E. Sinclair
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF NOVEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of November, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
Leroy King
Haig G. Mardikian
Walter S. Newman

and the following were absent:

H. Jesse Arnelle
Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Helen Rogers, Benny Stewart, Wade Woods, John Bowman, Western Addition Project Area Committee (WAPAC); Bobby Sisk and Lloyd Glory, Bethel A. M. E.; Floyd L. Pierce, Jones Homes, Inc; Donald Flynn and Jack Worstell, Willow Van Ness, Inc.; and Fancher Larson, interested citizen.

Representing the press were Jerry Adams, San Francisco Examiner, E. Cahill Maloney, San Francisco Progress.

APPROVAL OF MINUTES

It was requested by President Berk that the minutes of the regular meeting of April 1, 1980, as distributed by mail to The Commissioners, be held.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of November 17, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Ground Breaking for the Kimochi Home in Japantown located at Sutter and Octavia was held November 17 with Mr. Gene Suttle and President Berk along with Supervisors involved in that effort in attendance. This new facility when completed will provide residential, day care and respite services for elderly Issei (first generation Japanese-Americans).

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The George R. Moscone Convention Center opening is being held December 2, 1981 from 11:30 a.m. to 2:00 p.m. at the Center.
- (c) Yesterday, the Board of Supervisors by a vote of 7-2 approved a Resolution, as requested by the Mayor, to rescind Resolution No. 746-81, which had to do with support of housing over the garage, upon a finding that the provision of housing over the Performing Arts Center Garage is impossible at this date.
- (d) A joint statement by Wilbur W. Hamilton, Executive Director, San Francisco Redevelopment Agency and Ron Soskolne, Project Manager, Olympia & York regarding the proposed Asian Art Museum in Yerba Buena Center was read by Mr. Hamilton as follows:

"Various reports as well as articles have appeared in the newspapers recently which indicate that the selected developer for the Central Blocks of Yerba Buena Center (YBC), Olympia & York, has offered to the Agency \$35 million toward the construction of an Asian Art Museum in YBC. That is not factually correct. O & Y has formally indicated a willingness to hold a site available and to assist in developing the shell of the Asian Art Museum provided funds were made available by others. The Agency on August 11, 1981 adopted a policy regarding cultural facilities in YBC:

As a first priority, the Agency reaffirms its commitment to establishing the arts showcasing model and facilities planned for YBC...The Agency will explore the potential of a museum of international stature in YBC. This will include evaluation of the expressed interest of the Asian Art Museum." The policy indicated that the first priority was toward the "showcasing" facility and that we would work towards the creation of the Asian Art Museum if that were possible in the economic constraints of negotiations for YBC. The Agency is encouraged by the reports that pledges in excess of \$5 million towards the construction of a new Asian Art Museum in YBC have been obtained. The Agency will continue to operate under that policy to determine what might be achieved to assist the Asian Art Museum in obtaining facilities in YBC."

UNFINISHED BUSINESS

- (a) Resolution No. 420-81, A Fourth Supplemental Resolution further amending Resolution No. 193-78, Entitled "A Series Resolution authorizing the issuance of A Series of Residential Construction Mortgage Revenue Bonds of the Redevelopment Agency of the City and County of San Francisco, 1978 Series A", to amend said Resolution, as amended, to add to a Part II providing for the issuance of Residential Construction Mortgage Revenue Bonds 1978 Series A, Bay Vista Homes Limited; Hunters Point.
- (b) Resolution No. 421-81, A Resolution approving Bond Purchase Agreement, Origination and Servicing Agreement, Developer Agreement, Investment Agreement, the Official Statement and authorizing and directing certain actions with respect thereto.

UNFINISHED BUSINESS (continued)

Pursuant to the authorization granted by the Commission on September 1 the underwriters are now marketing Bonds for the Bay Vista Homes development. The terms of the documents which these items approve are yet to be determined. When the marketing efforts are successful approval will be needed prior to December 8 and it is requested that these items be continued until the regular meeting on December 1. Mr. Hamilton noted that these items would be the only ones on that agenda.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Items 8(a) and 8(b) would be continued to the meeting of December 1, 1981. There being no objection it was so ordered.

Mr. Hamilton noted that, prior to December 1, 1981, authorization is needed for a related item on the Bay Vista Homes Development Bond Issue and staff would like to address that item as an off-agenda item at this time or at the end of the regular agenda. Mrs. Berk, without objection by any Commissioner, indicated that the item would be considered next on the agenda.

MATTERS NOT APPEARING ON AGENDA

Authorization is requested for the President, Vice President and Deputy Executive Director to complete and file certain documents needed to market the Bay Vista Homes Development Bond issue in various States.

These standard documents required by law provide factual information and apply to marketing the bonds in the States of Minnesota and New York.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE PRESIDENT, VICE PRESIDENT AND DEPUTY EXECUTIVE DIRECTOR BE AUTHORIZED TO COMPLETE AND FILE CERTAIN DOCUMENTS NEEDED TO MARKET THE BAY VISTA HOMES DEVELOPMENT BOND ISSUE IN THE STATES OF MINNESOTA AND NEW YORK.

NEW BUSINESS

- (a) Resolution No. 424-81, authorizing the Executive Director to distribute Preliminary Official Statements and to negotiate and execute a bond and note purchase agreement in connection with construction and permanent financing for the Cypress Grove Cooperative Development, Hunters Point.

Authorization is requested for the Executive Director to distribute Preliminary Official Statements and to negotiate and execute a Bond and Note Purchase Agreement to provide tax exempt financing for Cypress Grove Cooperative Project in Hunters Point.

Mr. Hamilton requested Mr. David Oster, Assistant General Counsel, report on this item. Mr. Oster indicated that it had been anticipated that the documents could be presented for approval at this meeting. However, the documents have not been completed as expected. The underwriters advised it will be necessary to approve and execute the documents prior to the next regular meeting in order to obtain

NEW BUSINESS (continued)

commitment of the terms of their offer, which is believed to be very favorable to the Agency.

The following changes were noted:

On the Short Term Construction Loan Notes the amount has been changed from \$19,800,000 to \$19,500,000 and the Mortgage Revenue Bonds have been changed from \$21,979,000 to \$20,500,000.

Both construction loan Notes and Bonds will be special obligations of the Agency, payable solely from revenues, and no Commissioners, officers or employees of the Agency shall have any personal liability. Obligations under the Note and Bond Purchase Agreement shall be conditioned upon a closing on or before December 31, 1981, which is believed to be achievable. Other terms and conditions are in accordance with those that are standard for such financings.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 424-81 BE ADOPTED.

- (b) Resolution No. 425-81, authorizing a Rental Agreement with Facilities Management, Inc., for utilization of Agency-owned land at the northeast corner of Howard and Fourth Streets; Yerba Buena Center.

Authorization is requested to enter into a Rental Agreement with Facilities Management, Inc. for 30 days for the parcel located at the northeast corner of Howard and Fourth Streets in the Yerba Buena Center.

This parcel will be used to provide off-street parking facilities for the George R. Moscone Convention Center.

Originally this rental agreement was to have been on a month to month basis for a longer period of time. However, the conditions as set forth under the agreement are still under review by the Chief Administrative Office and when all terms and conditions are worked out this item will be brought back to the Commission for their consideration.

In reply to Mr. Lee's inquiry, Ms. Germain Wong, Chief Administrative Officers' Office, indicated that in order to be competitive they would be charging a lower rate for parking to those who would be putting on the shows at the convention center, but that people attending the convention would be charged the regular rate.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 425-81 BE ADOPTED.

- (c) Resolution No. 426-81, authorizing a Second Amendment to Agreement for Legal Services with the Law Firm of Steefel, Levitt & Weiss in connection with all Project Areas.

Authorization is requested of a second amendment to the Legal Services contract with Steefel, Levitt & Weiss for all project areas in an amount not to exceed \$50,000.00.

NEW BUSINESS (continued)

This firm has been providing excellent service since January of this year on a wide variety of issues. They have demonstrated the capacity and flexibility to respond to the Agency's needs on very short notice at rates fair and reasonable, and have acquired a good working knowledge of program and procedures, and redevelopment law in particular.

The Agency has used the firm's expertise in regard to specialized real property matters and they are presently assisting in the Olympia and York negotiations and their continued assistance is crucial to the issues at hand.

The original contract of \$50,000.00 is nearly expended and additional funding will provide payment for both current and future billings.

An updated affirmative action program has been submitted by the firm and approved by the Agency's affirmative action staff.

In reply to Ms. Mary Rogers, Chairperson, WAPAC, inquiry, Mr. Earl P. Mills, Deputy Executive Director, Community Services, indicated that he had discussed the firm's affirmative action program with their administrator Mr. Marley who stated that next year they would be hiring two experienced attorneys and one attorney from law school and they would be recruiting qualified minorities to apply for these positions.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 426-81 BE ADOPTED.

- (d) Public Hearing to hear all persons interested in a proposed Third Amendatory Agreement for Parcel 738-B, southwest corner of Van Ness and Willow; Western Addition A-2.

Resolution No. 427-81, authorizing a Third Amendatory Agreement to the Agreement for Disposition of Land with Donald Flynn for Parcel 738-B, and ratifying the Notice of Public Hearing; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the proposed Third Amendatory Agreement for Parcel 738-B, Western Addition A-2.

Authorization is requested of a Third Amendatory Agreement with Donald Flynn for the parcel located on the southwest corner of Van Ness and Willow Streets.

A Second Amendatory Agreement was approved on October 20 extending the conveyance date to allow staff to examine Mr. Flynn's proposal to add two additional floors of condominium offices to his development. Staff finds this addition economically feasible, architecturally appropriate and in compliance with the Redevelopment Plan. WAPAC has reviewed and approved the change. The Third Amendatory will accomplish the following:

- 1) Provide for a change in the performance schedule in which the Submission of Evidence of Financing is changed from July 1981 to

NEW BUSINESS (continued)

January 1982 and the Conveyance of the Site is changed from November 1981 to April 1982;

- 2) Add "Fast Track" language to permit Mr. Flynn to act in advance of the performance schedule. It is hoped construction can begin before the end of the year, however, some leeway is provided because of the unpredictable financial market;
- 3) Permit changes in the improvements - Mr. Flynn has requested to be permitted to build a six-story rather than four-story building. His proposal is to now build a 34,500 square foot, six-story building with a restaurant on the ground floor and five floors of office condominiums;
- 4) Add a provision to permit the conveyance of the parcel as two subparcels. This will allow Mr. Flynn to assign the building to Willow Van Ness, Inc.; a family owned corporation, and retain the balance of the property in his ownership.

Mr. Newman inquired what the height limit was and Mr. Kernan indicated that the height of the proposed office building is approximately 75 feet and the city's Van Ness Avenue building height maximum is 130 feet.

Mr. Lee inquired what the effect of the parking requirement was with the addition of two floors and Mr. Thomas Ma, Architect, indicated that the developer was providing additional parking on a platform behind the office.

Mr. Newman inquired if all code requirements were being met on parking and Mr. Ma indicated affirmatively.

Ms. Mary Rogers, Chairperson, WAPAC, indicated that WAPAC had always supported Donald Flynn, but now he has hired a contractor that has an unfavorable Affirmative Action record. Mr. Flynn indicated that they were over the Federal Minority Business Enterprise requirements and that they had subcontracted with Wagner and Levine to do some excavation and expect their full compliance. However, he had not known until very recently that this firm had an unfavorable record and if it had been known they would not have been hired, but a contract has already been signed. Mr. Flynn stated that they had met with WAPAC on this matter and would do all they can to see that the contractor complies.

Mr. Lloyd Glory, BME Church, stated it was not only the concern of Ms. Rogers, but the entire community and the Agency should show them there is some teeth in the Agency's Affirmative Action Program.

Mr. King indicated that Ms. Rogers and Mr. Glory were correct and that the Agency is committed to its Affirmative Action Program and Mr. Flynn must understand that and Mr. Mills should take this under consideration.

NEW BUSINESS (continued)

Mr. Mardikian inquired if the land price was affected by adding two floors and Mr. Kono indicated that it was not. Mr. Mardikian indicated that it seems illogical and Mr. Hamilton noted that the land price is based on the highest and best use and the developer is not penalized for using it to its maximum.

Mr. Newman requested that the building be described and Mr. Jack Worstell the developer's architect, described the materials they would be using in constructing the building and Mr. Newman complimented Mr. Worstell and Mr. Flynn on the design of the structure.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 427-81 BE ADOPTED.

- (e) Public Hearing to hear all persons interested in the Assignment of Interest for Parcel 738-B, southwest corner of Van Ness and Willow; Western Addition A-2.

Resolution No. 428-81, authorizing an Assignment of Interest in the Agreement for Disposition of Land, as amended, by Donald Flynn to Willow Van Ness, Inc., authorizing execution of documents necessary to effectuate the Assignment, and ratifying the Notice of Public Hearing for Parcel 738-B; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the Assignment of Interest for Parcel 738-B, southwest corner of Van Ness and Willow, Western Addition A-2.

Authorization is requested to assign all rights, title and interest in the Van Ness fronting portion of the parcel where Mr. Flynn is constructing his office building to Willow Van Ness, Inc.; a family owned corporation. Mr. Flynn will retain ownership of the Eddy Street fronting parcel.

This assignment will insulate Mr. Flynn from personal liability; avoid cross liability problems which might be occasioned by the condominium development; reserve the rear parcel, free and clear for possible future development of additional condominium offices with the Commission's authorization.

Mr. Leo Borregard, General Counsel, read into the record the following change to Resolution No. 428-81. On Page 2, line 14, the date is changed from December 11, 1981 to December 14, 1981. Mr. Borregard also noted that the language concerning the parking lease referenced at the bottom of page 2 was there to ensure that there would be a parking lease to guarantee the availability of parking. The reference to reciprocal rights of entry was to assure the ability to construct with the land in divided ownership.

Mr. Newman inquired if the condominium owner would own a stall in the

NEW BUSINESS (continued)

garage or lease it. Mr. Borregard indicated that it would be based on lease agreements, Mr. Flynn confirmed this.

There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 428-81 BE ADOPTED.

- (f) Resolution No. 429-81, Resolution of Redevelopment Agency for issuance of bonds relating to the financing of Residential Rehabilitation of Parcel 755-B, 1101-23 Fillmore Street, by Fillmore Complex Associates; Western Addition A-2.

This item is in regard to approving a Resolution expressing the Agency's interest in the issuance of bonds to facilitate financing the Rehabilitation of the property located at 1101 Fillmore Street by the Fillmore Complex Associates in the Western Addition A-2.

It has been requested by staff that this item be continued to the meeting of December 8.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (f) would be continued to the meeting of December 8, 1981. There being no objection it was so ordered.

- (g) Resolution No. 430-81, authorizing execution of an Owner Participation Agreement with Richard J. Gherman and Laura B. Gherman for 1932-38 Ellis Street, Block 1100, Lot 13; Western Addition A-2.

Authorization is requested to enter into an Owner Participation Agreement with Richard and Laura Gherman for the property located at 1932-38 Ellis Street.

This two-story wood-frame building originally built in 1890 has four, two-bedroom rental units. The cost of rehabilitation is \$54,000.00 and was privately financed by the owner.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 430-81 BE ADOPTED.

- (h) Public Hearing to hear all persons interested in the Assignment of Interest for Parcel 683-E, northwest corner of Fillmore and Post, Western Addition A-2.

Resolution No. 431-81, authorizing an Assignment of Interest in the Agreement for Disposition of Land, as amended, by Jones Memorial Homes, Inc., to Jones Senior Homes, Inc., authorizing execution of documents necessary to effectuate the Assignment, and ratifying the Notice of Public Hearing for Parcel 683-E; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested

NEW BUSINESS (continued)

in the Assignment of Interest for Parcel 683-E, northwest corner of Fillmore and Post, Western Addition A-2.

Authorization is requested to assign all rights, title, interest, obligations, duties and responsibilities of Jones Memorial Homes, Inc. in the LDA for the parcel located at the northwest corner of Fillmore and Post Streets to Jones Senior Homes, Inc.

In March of this year you authorized a Land Disposition Agreement with Jones Memorial Homes, Inc. to construct 51 units of elderly housing and commercial space. In October of this year, you authorized a six-month extension of conveyance dates.

The developer is financing this development through the HUD Section 202 Program as it did with their earlier development of 103 homes completed in 1974. HUD has informed and requested Jones Memorial Homes that it cannot own more than one Section 202 development, and for that reason they have created Jones Senior Homes, Inc. and are now requesting that its interest be transferred to the new entity.

There being no persons wishing to appear in connection with this matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 431-81 BE ADOPTED.

- (i) Resolution No. 432-81, ratifying the action of the Executive Director in authorizing Special Security Guard Services; Western Addition A-2.

Ratification is requested of the Executive Director's action in authorizing special security guards for the Western Addition A-2 in an amount not to exceed \$6,500.00.

At the meeting of November 10, 1981 you authorized the Executive Director to, at his discretion, terminate for cause the contract with Imperial Protective Services. You also authorized him to negotiate a contract with a replacement service. Imperial's contract was terminated at close of business on November 16, 1981. An agreement was then entered into with Cal State Patrol Services to provide the necessary services.

Cal State Patrol Services is a minority-owned business located in the Western Addition A-2 and have been in business for over ten years. They have held previous contracts with the Agency.

This contract will provide services for approximately four weeks giving staff sufficient time to obtain bids for a more permanent replacement service based on future needs.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 432-81 BE ADOPTED.

- (j) Resolution No. 433-81, authorizing Wilbur W. Hamilton, Executive Director, and Helen L. Sause, Project Director YBC, to travel to Washington, D.C.

NEW BUSINESS (continued)

to attend NAHRO Board of Governor's meeting, December 8-12, 1981.

Authorization is requested for Mrs. Helen Sause, Project Director for Yerba Buena Center and Mr. Wilbur W. Hamilton, Executive Director to travel to Washington, D.C. to attend NAHRO's National Board of Governors and Community Revitalization and Development Committee meetings December 8-12, 1981 in an amount not to exceed \$2,100.00.

As reported to the Commission after Mr. Hamilton's last trip to Washington, D.C., there would be additional meetings to address the 2nd round of proposed cuts in CDBG appropriations which would adversely impact housing and community development programs and have a critical affect on the Agency's ability to carryout its activities.

Ms. Sause is the Vice President for NAHRO's Regional Community Revitalization and Development Committee (CRAD), and she serves on the National CRAD Committee and Board of Governors. Mr. Hamilton will be attending in his capacity as CRAD's National Vice President plus being a member of NAHRO's National Crisis Committee. Mr. Hamilton will also be testifying before Congress on behalf of CRAD program proposals. There are also a number of Agency issues that need attention at the National level including the 300 units in Hunters Point and General Services Administration concerning the Central Blocks in Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 433-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 435-81, amending the effective date of Legal Services Contract with the Law Firm of McCutchen, Doyle, Brown and Enersen in connection with litigation regarding the Ella Hill Hutch Community Facility, Western Addition A-2.

Authorization is requested to make payment to McCutchen, Doyle, Brown and Enersen for preliminary legal services rendered from September 9 to October 20, 1981, in the amount of \$1,500.00.

On October 20, 1981 a contract was granted with this firm to handle the litigation arising out of the construction of the Ella Hill Hutch Community Facility in the Western Addition A-2.

The McCutchen firm performed preliminary services beginning September 9 and although it was intended that the contract provide for payment for these prior legal services, no express provision was made.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 435-81 BE ADOPTED.

- (b) Resolution No. 434-81, authorizing a rental agreement with Bethel A. M. E. Church for temporary use of a portion of Parcel 750-A, Western Addition A-2.

OFF AGENDA (continued)

Authorization is requested of a rental agreement with Bethel A.M.E. Church for use of the parcel on Fillmore Street between Turk and Eddy for the purpose of operating a Christmas Tree Sales lot. The church proposes to use the land from November 27 through December 26, 1981. Bethel A.M.E. Church is a non-profit organization in the Western Addition community and has sponsored low-to-moderate income housing in that area. It is proposed to provide this parcel on a rent free basis.

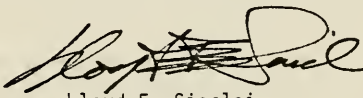
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 434-81 BE ADOPTED.

Ms. Mary Rogers, Chairperson, WAPAC, came forward to express her concern about contractors working in the community who do not comply with Affirmative Action requirements. Even though the Agency has this policy the contractor overlooks it or refuses to comply. Mr. Hamilton indicated that he had not been informed of any problem and as soon as Ms. Rogers presents those concerns in writing, the appropriate action will be taken. Mr. Newman inquired if a contractor or subcontractor fails to live up to their Affirmative Action obligations, if the Agency could withhold funds and Mr. Leo Borregard, General Counsel, indicated that the developer pays these parties, not the Agency. However, the Affirmative Action language in the most recent LDA's is now designed so that the Agency has the ability to halt the work. The Agency also has an abitation system which can be used to resolve the matter. Mr. Mardikian indicated that since the Agency has budgeted Affirmative Action positions, including those in WAPAC and the Joint Housing Committee in addition to staff, he was concerned when these Affirmative Action items came up in meetings but do not appear to be definitively resolved. He inquired if there is or is not a problem, and if Ms. Rogers is right or wrong. Mr. Hamilton indicated that staff does monitor these contracts. If a real problem exists then written documentation is needed and Ms. Rogers indicated it would be provided.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a closed session regarding litigation. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

December 8, 1981

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF DECEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of December, 1981, the place, hour, and date duly established for the holding of such meeting.

President Berk called the meeting to order and on roll call the following answered present:

- Charlotte Berk, President
- Melvin D. Lee, Vice President
- H. Jesse Arnette
- Dian Blomquist
- Leroy King
- Haig G. Mardikian
- Walter S. Newman

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and the following were absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present was Dennis Bouey, Chief Administrative Officer's Office.

UNFINISHED BUSINESS

- (a) Resolution No. 420-81, a Fourth Supplemental Resolution further amending Resolution No. 193-78, Entitled "A Series Resolution authorizing the issuance of A Series of Residential Construction Mortgage Revenue Bonds of the Redevelopment Agency of the City and County of San Francisco, 1978 Series A", and to amend said Resolution, as amended, to add to a Part II providing for the issuance of Residential Construction Mortgage Revenue Bonds 1978 Series A, Bay Vista Homes Limited; Hunters Point.
- (b) Resolution No. 421-81, a Resolution approving Bond Purchase Agreement, Origination and Servicing Agreement, Developer Agreement, Investment Agreement, the Official Statement and authorizing and directing certain actions with respect thereto.

Items (a) and (b) are in regard to bonds to be issued in connection with a development by Bay Vista Homes Limited, a Limited Partnership consisting of Dukes-Dukes and Associates, Inc. as general partner and Cal Fed Enterprises and Nick Tavaglione Construction Company as limited partners for scattered parcels in Phase I of Hunters Point.

Item (a) requests authorization of a resolution that will provide for Issuance of Redevelopment Agency Residential Construction Mortgage Revenue Bonds, 1978 Series A; and

UNFINISHED BUSINESS (continued)

Item (b) requests authorization of a resolution approving the Bond Purchase Agreement, the Final Official Statement, the Investment Agreement, the Origination and Servicing Agreement, and the Developer Agreement with Bay Vista Homes Limited, as well as the Application for a Standby Letter of Credit.

On September 1, authorization was granted to distribute the Preliminary Official Statement, which described the bonds, identified the participating parties, and provided the other details of the transaction. Using this document, the underwriters have now obtained the necessary commitments to purchase the bonds at the rates set forth in the resolution.

Approval of the two subject resolutions will thus complete the formal actions and approvals necessary to provide permanent financing for the 55 units being developed by Bay Vista Homes in Hunters Point.

Mr. David Oster, Assistant Agency Counsel, indicated that the bonds had been sold by the underwriters at 12%, resulting in a 13.4% rate to buyers with a potential of that being reduced to 13%. The amount of the bonds have been reduced from \$7,225,000 to \$6,075,000. It is required that the developer put up a Letter of Credit to guarantee the cost of the issuance of the bonds to be paid if called before the 30-year term in the approximate amount of \$385,000. This is also a condition of the closing.

Mr. Newman inquired if the bonds were callable and Mr. Oster indicated that they could be redeemed under special circumstances, such as if the units are not built. In reply to Mr. Arnette's inquiry, Mr. Oster indicated that the interest rate would be a fixed one and not a variable.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 420-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 421-81 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

Resolution No. 437-81, authorization to rescind Resolution No. 425-81, to enter into a rental agreement with Facilities Management Inc. for utilization of Agency-owned land at the northeast corner of Howard and Fourth Streets in the Yerba Buena Center.

Resolution No. 438-81, authorizing a rental agreement with San Francisco Parking, Inc. for utilization of Agency-owned land at the northeast corner of Howard and Fourth Streets in the Yerba Buena Center.

Authorization is requested to rescind Resolution No. 425-81 that authorized a rental agreement with Facilities Management Inc. (FMI). Authorization is also requested to enter into a rental agreement with San Francisco Parking, Inc. for 60 days for the parcel located at the northeast corner of Howard and Fourth Streets.

MATTERS NOT APPEARING ON AGENDA (continued)

At a recent Agency meeting authorization was granted to enter into a rental agreement for 30 days with FMI for the subject parcel. However, problems arose regarding the agreement and FMI has refused to sign the contract. Mr. Leo Borregard, General Counsel, indicated that since FMI would not execute the agreement that the City has turned to an experienced parking lot operator, San Francisco Parking, Inc. who had contacted the Agency and negotiated a 60-day interim parking agreement with the Agency. Sixty days was selected to permit the parking use to commence and to allow the solicitation of bids for ongoing use. The Agreement will commence December 2, at 6:00 a.m. and end February 2, 1982 at 5:00 p.m. The actual rental rate will begin on December 3 because of the parking passes for the Moscone Convention Center opening December 2.

Mr. Newman inquired why FMI had not executed the contract and if the rental rate would be the same for San Francisco Parking, Inc. and Mr. Borregard indicated that the rate was not the same. Mr. Dennis Bouey, Chief Administrative Officer's Office indicated that FMI objected to there being no guarantee in the contract against a loss incurred if rental receipts were less than minimum rent payments to the Agency. In reply to Mr. Arnelle's inquiry Mr. Bouey indicated that the Principals for FMI were Richard Shaff and Densil Skinner.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 437-81 BE ADOPTED,

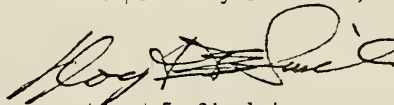
ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 438-81 BE ADOPTED.

In reply to Mr. Newman's inquiry, Mr. Borregard said that it is rare that a contract is submitted to the Commission for action without the contract first being signed by the contracting party, but this was one of those cases.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

APPROVED

December 8, 1981

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF DECEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of December, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

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and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Charles Rueger, Willis and Associates, Inc.; Roslyn Baltimore, Mary D. James, Fillmore Complex Association; Benny Stewart, Western Addition Project Area Committee (WAPAC); Don Cahen, Joseph Madona, O & Y Equity; William B. Ellington, Ellington's Security Service; and Steva Cheatham, Earline Hill, Robert J. Primus and Askia Sonyika, interested citizens.

Representing the press was Evelyn Hsu, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of April 1, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of May 13, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Arnelle, and unanimously carried that the minutes of the regular meeting of October 20, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of November 24, 1981, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

It was moved by Mr. Arnette, seconded by Mr. King, and unanimously carried that the minutes of the regular meeting of December 1, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of June 17, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Blomquist, seconded by Mr. Arnette, and unanimously carried that the minutes of the closed session of October 20, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Newman, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of November 24, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Finance Committee of the Board of Supervisors met last Wednesday, December 2, 1981, and gave a due pass to a resolution to approve issuance by the Redevelopment Agency of Construction loan notes and mortgage revenue bonds for Cypress Grove in the total principal amount not to exceed \$23,000,000 and \$25,000,000 respectively. The Board of Supervisors passed this item yesterday by a vote of 6 to 0. Those six were: Britt, Dolson, Kennedy, Walker, Renee and Silver.
- (b) Mr. Hamilton indicated he would be leaving for Washington, D.C. this evening to meet with the NAHRO Crisis Committee and join with other housing public interest groups to respond to the Administration's proposed budget cuts and to meet with David Stockman, Director of the Office of Management and Budget.

UNFINISHED BUSINESS

- (a) Resolution No. 429-81, a resolution for the issuance of bonds relating to the financing of residential rehabilitation of Parcel 755-B, 1101-23 Fillmore Street by Fillmore Complex Associates; Western Addition A-2.

This item was calendared for November 24, but staff had requested it be continued to today's meeting, as the developer was still reviewing the Letter of Agreement regarding the financing arrangement. That agreement has now been approved by the developer with one minor change, which is, that they be provided written notification from the Agency prior to the Agency's incurring any costs in excess of \$500 for which the developer would be responsible. Staff believes this is a reasonable change and gives the developer some control of costs incurred on their behalf.

UNFINISHED BUSINESS (continued)

Authorization is now requested to approve a Resolution expressing the Agency's interest in the issuance of bonds to provide financing for the rehabilitation of the property located at 1101 Fillmore Street by the Fillmore Complex Associates, through a Marks Foran Loan.

Exclusive Negotiations granted in July 1981 were extended to March 1, 1982 for rehabilitation of this 31-unit residential building with ground-floor commercial. The general partners are Mary and Willie James and Ms. Roslyn Baltimore.

Due to the size and complex nature of this \$1.5 million project, staff, bond counsel and potential lenders believe the loan should be made on an individual basis rather than part of a master loan agreement as previous loan programs have been. Bond counsel has advised that changes in Federal legislation are currently being considered by Congress regarding tax-exempt financing of commercial facilities that may have a severe negative impact and by passing this resolution staff hopes to keep within the laws and regulations now in effect rather than new legislation.

The resolution provides for a maximum loan of \$2.5 million even though the expected costs at this time are \$1.5 million in order to provide a margin of safety within the loan for increased costs due to inflation or other factors not yet anticipated.

The present schedule calls for entering into an LDA in March 1982 with the bonds being issued when the property is conveyed. At this time the interest rate cannot be predicted. Major efforts of the developer and staff will be centered on obtaining equity and debt financing.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 429-81 BE ADOPTED.

- (b) Resolution No. 384-81, authorizing a variance from the height limit requirement of the Redevelopment Plan for Parcel 3750-A, southeast corner of Third and Folsom Streets; Yerba Buena Center.

This item is in regard to the Taylor-Woodrow height variance, which was continued from November 3, to this meeting.

The developer Taylor-Woodrow is currently considering design concerns as addressed by the Agency and expects shortly to have new concepts and schematic designs for Agency review.

Since it has not been determined that a variance for this development is necessary, it is recommended that the resolution be tabled indefinitely.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 384-81 BE TABLED.

NEW BUSINESS

- (a) Resolution No. 439-81, authorizing an extension of the Offer to Negotiate Exclusively with O & Y Equity Corp./Marriott Corp./Beverly Willis for Central Blocks 1, 2 and 3 (Mixed Use Development); Yerba Buena Center.
- (b) Resolution No. 440-81, authorizing an extension of exclusive negotiations with O & Y Equity corp./Marriott Corp./Beverly Willis for Parcels 3722-A and B, east side of Third Street between Mission and Howard Streets; Yerba Buena Center.

Since these two items are related, it is requested that they be discussed together, but acted on separately. Both items request authorization to extend Exclusive Negotiations with the Olympia and York Development team until March 17, 1982. One resolution (No. 439-81) applies to the Central Blocks and the other resolution (No. 440-81) to East Block 2, both in Yerba Buena Center.

In June of this year, a six-month extension was granted to December 16 for Exclusive Negotiations for the Central Blocks.

On September 1 of this year, Exclusive Negotiations were also granted for East Block 2 until December 16, subject to the condition that such additional development be found necessary to support the economic viability of the Central Blocks program.

Staff has just begun economic negotiations with O & Y and it is difficult to project how much time is needed to complete the negotiations. At this time, staff is recommending a 90-day extension. Prior to March 17, 1982, staff will recommend what extension is necessary to complete the final negotiations.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 439-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 440-81 BE ADOPTED.

- (c) Public Hearing to hear all persons interested in the conveyance of Parcel 792-D, west side of Franklin Street between Grove and Fulton Streets, Western Addition A-2

Resolution No. 441-81, authorizing execution of a Land Disposition Agreement with the San Francisco Ballet Association for Private Development of Parcel 792-D and ratifying the publication of Notice of Public Hearing; Western Addition A-2.

President Berk opened the public hearing to hear all persons interested in the conveyance of Parcel 792-D, to the San Francisco Ballet Association, Western Addition A-2.

Authorization is requested to enter into a Land Disposition Agreement with the San Francisco Ballet Association for the parcel located on the west side of Franklin between Grove and Fulton.

NEW BUSINESS (continued)

Exclusive Negotiations were entered into on June 9 with the Ballet Association which is also negotiating to acquire the Union Oil property, an integral part of the site. In addition, the site will include two easements which will be purchased from the Parking Authority.

The Ballet Association proposes to construct a 66,000 square foot building to house the Ballet School, the Ballet Company their administrative offices and support facilities.

Because the facility will be near the Opera House, Davies Hall, the Veteran's Building and City Hall, the exterior design is undergoing a particularly careful evaluation by the Agency's Architectural Division. An design concept has been submitted, and Staff will continue to work with the architect.

The Ballet has presented as evidence of financing a construction loan commitment of \$6,000,000 executed by the Bank of America. The Agency is seeking authority to issue bonds that will result in a lower interest rate to the Ballet by agreement with the Bank. The Resolution approving the bond issue has been referred to the Board of Supervisors' Finance Committee.

A Memorandum of Understanding was negotiated between the Ballet and WAPAC to increase the percentage of participation of non-white minorities in general and non-white minority residents of the Western Addition in particular. All job openings since that time have been referred to WAPAC in accordance with that agreement. The Ballet Association's Affirmative Action Program has been approved. The Affirmative Action Programs relating to construction of improvements will be done prior to conveyance of the site in February, 1983.

The performance schedule will be: Submission of Evidence of Financing by January 28, 1983; Commencement of Construction by March 28, 1983; and Completion of Construction by March 28, 1985.

Mr. Leo Borregard, Agency General Counsel, indicated that in addition to the changes to the LDA that the Commissioners had in their folders tonight, there was one other matter, which was essentially a housekeeping change to the LDA that had to be attended to. The term Site in the LDA had to be clarified as the Agency was not conveying the entire Site, since some of the Site is owned by others.

Mr. Newman inquired in reference to page 15 of the LDA, as to what happens to the covenants after the periods indicated and Mr. Borregard indicated that they ran for the length of the Redevelopment Plan and after the Plan expired only certain controls remained.

Mr. Newman also inquired if the Ballet Association would own the property in fee and Mr. Borregard indicated that they would to the property that the Agency conveyed, plus one parcel they will be acquiring and two easements they will purchase from the Parking Authority.

NEW BUSINESS (continued)

Mr. Lee inquired, in reference to page 1 of attachment 3 under approval of schematic drawings, where it indicates the Agency shall approve or disapprove, if this was an addition. Mr. Borregard indicated that it was an addition to make the language consistent with similar language used for other document review. Mr. Borregard suggested that the resolution be changed to add a further resolve, that it be effective only if the Ballet Association signed the LDA by 5 p.m. December 11, 1981. Mr. Borregard then stated the additional language.

There being no persons wishing to speak on the matter the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. NEWMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 441-81 BE ADOPTED, AS AMENDED.

- (d) Resolution No. 442-81, authorization to enter into a contract with Cal State Patrol Service for Security Services; Western Addition A-2.

Authorization is requested to enter into a contract with Cal State Patrol Service for security services in the Western Addition A-2 in an amount not to exceed \$10,237.00.

Imperial Protective Agency's contract was terminated on November 16 and concurrently a four-week interim contract with Cal State Patrol Service was ratified on November 24.

Bids have now been received for a six-week contract. This contract will allow the time necessary to put in place the security arrangement required to meet the project's needs for 1982 and beyond.

Bids were solicited from four small minority-owned firms and three submitted bids. Although Ellington Security Service submitted the lowest bid, it was considered non-responsive as the Non-Collusion Affidavit and the statement of Bidder's Qualifications, both integral parts of the bid, were not notarized as required. The second lowest bidder, Cal State Patrol, had all bid documents in order.

Mr. William B. Ellington, Ellington's Security Service, inquired if he could submit the notarized copies now, and Mr. Borregard indicated it was his opinion that the notarized copies are required as part of the bid submission and are due at time of bid closing and if the bid is not complete as required, it is considered non-responsive. Mr. Hamilton also indicated it was legal's opinion not to waive the requirement and the Agency never has. Mr. Ellington inquired if he could submit a bid for the next job coming up and Mr. Hamilton indicated the bid for the present job has no bearing on any upcoming jobs, but cautioned Mr. Ellington to be sure and submit a complete bid package, as required.

Ms. Blomquist indicated that she felt this contract was expensive for a six weeks period, and she hoped staff would review the need for a mobile patrol person, since that is a major expense, and that the Agency has more important things to do than spend money on security guard services.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 442-81 BE ADOPTED.

- (e) Authorizing First Amendatory Agreements to the Agreements for Disposition of Land with the Twelve Developers of Lots 1, 3, 4, 6 through 11, 13, 14 and 16, within Site S-4 located on Hunters Point Hill, off Whitney Young Circle; Hunters Point.

Resolution No. 443-81, Gordon Reese, Lot 1; Resolution No. 444-81, Robert J. Primus, Lot 3; Resolution No. 445-81, Jimmie Wilson and Earnestine L. Wilson, Lot 4; Resolution No. 446-81, Melvin J. Hayes, Lot 6; Resolution No. 447-81, Simon C. Brown, Lot 7; Resolution No. 448-81, Sherman Hill and Earline Hill, Lot 8; Resolution No. 449-81, Eric A. Webb, Lot 9; Resolution No. 450-81, Askia Sonyika and Haiba Sonyika, Lot 10; Resolution No. 451-81, Steva P. Cheatham, Lot 11; Resolution No. 452-81, Oscar F. L. James and Patricia James, Lot 13; Resolution No. 453-81, Caesar Cornelius Young, III, Lot 14; Resolution No. 454-81, Tyson Joseph Duhon and Cassandra Dale Duhon, Lot 16.

Authorization is requested of First Amendatory Agreements to the LDA's with 12 developers for lots within Sites S-4, which is located on Hunters Point Hill off Whitney Young Circle in the Hunters Point Project.

LDA's were entered into on June 30, 1981 for development of single-family homes. The developers have provided preliminary construction documents, but the final ones were not submitted by the due date of October 31, 1981 and each developer was placed in default on November 9.

All the developers have nearly completed their final construction documents and now request an extension of time to complete these documents. They also feel the financing market will "soften" in the next few months and before completing construction documents that will cost in excess of \$1,000 each, they wish to obtain tentative financing commitments from financial institutions.

Staff has been working closely with the developers and their architects in order that the plans meet developers' requirements and capabilities, and also Agency standards.

None of the developers have had previous experience in single-family housing development and staff feels additional time is warranted to allow them greater flexibility in making final commitments towards each of their developments.

Staff therefore recommends the following changes in their performance schedules: Submission of Evidence of Financing from February 1982 to May 1982; Conveyance of the Site from April 1982 to July 1982; Completion of Construction from April 1983 to July 1983.

ADOPTION: IT WAS MOVED BY MR. NEWMAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTIONS NO. 443-81 THROUGH 454-81 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 455-81, authorizing payment to the Marshall B. Figari Insurance Company for fire, extended coverage, vandalism and malicious mischief coverage for Cypress Grove; Hunters Point.

Authorization is requested to accept the proposal from Marshall B. Figari Insurance for 18 months for Fire, Extended Coverage, Vandalism and Malicious Mischief insurance coverage for a premium of \$27,600 for Cypress Grove in Hunters Point. Acceptance of this proposal is conditioned on obtaining the necessary approvals and related financing to enable the project to proceed.

Proposals were received from three of the nine solicited with Marshall B. Figari submitting the lowest quote. The insurance carrier is Falcon Insurance Co. which has an excellent rating.

Mr. Harold Bell, Deputy Executive Director, Finance and Administration, indicated that Falcon Insurance Co. which has a \$25 Million financial surplus, is a wholly owned subsidiary of American Employers Insurance Company which in turn is a member of the Commercial Union Insurance Companies who have a \$400 Million financial surplus and that there is no problem with their providing the \$23 Million coverage needed.

Ms. Blomquist inquired if the contractor would have to have insurance as well, and Mr. Bell indicated that the Agency would make sure there was no duplication. Ms. Blomquist further inquired if it wasn't better to let the contractor pay for the insurance instead of the Agency, and Mr. Bell indicated that the Agency's insurance was mainly for Fire and it was needed to cover the buildings as they were built.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 455-81 BE ADOPTED.

- (g) Resolution No. 456-81, authorizing execution of a contract with Mahoney Electric Company for the installation of a lighting system on Donahue, Jerrold Avenue and Earl Street; Mariners Village.

Authorization is requested of a contract with Mahoney Electric Co. for installation of a lighting system in an amount not to exceed \$3,570 at Mariners Village Development.

The street lighting system, recently completed, covers all streets within the development. However, Jerrold Avenue from Earl Street to Donahue Street, which is outside the Hunters Point Project Area boundary but immediately adjacent to its northerly limits, is totally unlighted.

The Agency plans to install a permanent street lighting system on Jerrold Avenue when the Solomon Village development adjacent to Mariners Village, is implemented, but it is not known when that will occur. Interim lighting is needed to help ensure the security and safety of Mariners Village residents.

Of the four firms solicited, Mahoney Electric provided the only proposal for this work. This is not unusual since few contractors handle this

NEW BUSINESS (continued)

type of specialized installation of overhead wiring.

Staff has reviewed Mahoney Electric's proposal and found it reasonable. Their performance for similar work done for the Agency has been satisfactory.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 456-81 BE ADOPTED.

- (h) Resolution No. 457-81, authorizing execution of an agreement for Community Development Services with the City and County of San Francisco for the 1982 Community Development Program Year; All Projects.

Authorization is requested of the Agreement for Community Development Services and companion Memorandum of Understanding with the City for the 1982 Community Development year which begins January 1, 1982 and ends December 31, 1982.

The Agreement provides a total budget of \$8,649,534 which breaks down by project as follows: Western Addition A-2, \$4,851,446; Hunters Point NDP, \$719,785; Rincon Point-South Beach, \$1,749,935; Yerba Buena Center, \$1,106,133; Central Relocation Services, \$222,235.

These allocations were approved by the Board of Supervisors on October 13 and by the Mayor on September 21. The Agreement will not be fully executed until HUD's approval of the City's 1982 CD Program Final Statement, which was submitted on December 1 by OCD. This approval is expected prior to January 1.

Authorization is requested at this time in order to implement the Agreement execution process.

Staff believes that the Agency's interests are adequately protected.

Mr. Benny Stewart, Executive Director, WAPAC, inquired about the budget cuts and the NAHRO Meetings in Washington, D.C. Mr. Hamilton indicated the immediate concern was for the proposed additional 30% cut in 1982 by the Office of Management and Budget and that the Administration and Congress have not yet agreed with OMB and that the trip to Washington, D.C. is necessary to help convince the Administration and Congress not to proceed with this cut.

Ms. Blomquist inquired when the HUD Fiscal Year 1982 Budget would be completed and Mr. Hamilton indicated that Congress had passed a continuing Budget Resolution until December 15 and a budget would be passed by that date or further legislation would be required.

Mr. Mardikian inquired about the Project Services item in the Hunters Point Budget and why, unlike other projects, that was the only budget item listed for Hunters Point. Mr. Bell responded that this item was for personnel and non-personnel costs and the City-Agency CD Agreement only contained budget amounts requested from the 1982 City CDBG funds and that the budget sent previously to the Commission

NEW BUSINESS (continued)

contained additional carry forward funds from 1981 for Project Services, as well as other budget line items.

Ms. Blomquist inquired what the total administrative costs are for Yerba Buena Center and Mr. Bell responded that the total Project Services Budget for YBC in 1982 was approximately \$1.3 million with \$132 thousand of that in carry forward funds and \$1.1 million in new 1982 CD funds.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 457-81 BE ADOPTED.

Public Hearing to hear all persons interested in the conveyance of Assessor's Block 3706, Lots 48 and 71; bounded by Mission, Fourth, Market and Third Streets; Yerba Buena Center. (See items (i) and (j) below)

- (i) Resolution No. 458-81, authorizing the execution of a Quitclaim Deed for the conveyance of a strip of land to the Record Owner of Lot 48 in Assessor's Block 3706 and ratifying the notice of publication of Notice of Public Hearing; Yerba Buena Center.
- (j) Resolution No. 459-81, authorizing the execution of a Quitclaim Deed for the conveyance of a strip of land to the Record Owner of Lot 71 in Assessor's Block 3706 and ratifying the publication of Notice of Public Hearing; Yerba Buena Center

President Berk opened the public hearing to hear all persons interested in the conveyance of Assessor's Block 3706, Lots 48 and 71; Yerba Buena Center.

Authorization is requested of two resolutions, both regarding a Quitclaim Deed to convey a small strip of land to the adjacent property owners in Yerba Buena Center.

One Quitclaim Deed will convey a two inch strip along the northwesterly side of Lot 71 of Block 3706 to the owners of the Mercantile Building which has recently been rehabilitated.

The other Quitclaim Deed will convey approximately 1-3/8 inches along the northeasterly side of Lot 48 in Block 3706 to Humboldt Associates for the Humboldt Bank Building which is a historic landmark located adjacent to but outside the YBC project boundaries.

Site surveys prepared for Block 3706 disclosed that these buildings encroached into Agency-owned property. In order to eliminate the encroachments from our property and to clear discrepancies between record title and actual field survey data it is necessary that the two strips of land be quitclaimed to the appropriate owners.

The fair reuse value is the nominal value of \$1,000 each and will cover the cost of publication of the Notice of Public Hearing and administrative costs leading to the recording of the Deeds.

NEW BUSINESS (continued)

There being no persons wishing to speak on this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 458-81 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 459-81 BE ADOPTED.

- (k) Resolution No. 460-81, authorizing a Third Amendatory Agreement to the Personal Services Contract with Rai Y. Okamoto, Architect and Planner; Yerba Buena Center.

Approval is requested of a third amendment to the contract with Rai Y. Okamoto for urban design services for YBC in the amount of \$10,000 which would increase his contract to \$28,755.

Mr. Okamoto has been participating as liaison with the Agency for the Design Review Panel that also includes Tom Aidala and Hideo Sasaki. This panel has been in discussions and undertaking studies necessary to enable Agency review of the master plan for the Central Blocks. Mr. Okamoto has also assisted in providing specialized design comment on the Asian Art Museum, East Block 2 and Taylor Woodrow development.

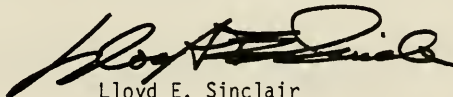
Mr. Okamoto's services are necessary to be continued through the execution of the Land Disposition Agreement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 460-81 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Lloyd E. Sinclair
Secretary

APPROVED

December 15, 1981

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5/21

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF DECEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of December, 1981, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Charlotte Berk, President
Melvin D. Lee, Vice President
H. Jesse Arnelle
Leroy King
Haig G. Mardikian

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and the following were absent:

Dian Blomquist
Walter S. Newman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Harold B. Brooks, Jr., B.D.I.; Mary Rogers, Western Addition Project Area Committee (WAPAC); James E. Stratton, and Rhody McCoy, R. & J. Futuristic, Inc.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Arnelle, and unanimously carried that the minutes of the adjourned special meeting of December 29, 1980, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the special meeting of June 11, 1981, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Arnelle, seconded by Mr. Mardikian, and unanimously carried that the minutes of the regular meeting of December 8, 1981, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Agency Christmas Party is to be held on December 17 from 5 to 8 p.m. in Fort Mason Officer's Club.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mr. Hamilton indicated that his meetings in Washington, D.C. last week were primarily concerned with Mr. Stockman's recommendations, as the Director of OMB to the Administration to cut funds already established for the program year 1982 for CDBG and UDAG as well as proposals to significantly cut the 1983 program year funds and to terminate the CDBG program completely in 1984.

The immediate concern was to avoid further significant cuts in the 1982 program year. After a good deal of effort on the part of a Bi-partisan Coalition consisting of many professional associations and other interest groups there is on the President's desk, and every expectation that he will sign it, an appropriations bill that will provide CDBG funds for 1982 at a \$3.456 billion level and UDAG at \$466 million which are below the \$3.66 billion for CDBG and the \$500 million for UDAG that had been sought but which are considerably more than the funding levels Mr. Stockman had proposed.

Less we are too confident, too quickly, of what that means in terms of the long range strategy of the Administration, no commitment has been made in respect to the 1983 CDBG Program level. Accordingly, in mid to late January there will be a further call of all the special interest groups effected including the National Housing Coalition, The National Legal of Cities, U.S. Conference of Mayors, and NAHRO for a special meeting with the President and Mr. Stockman and his advisors in Washington, D.C. to review the implications of further proposed reductions on the nation's urban policy. The Administration's representatives did not say whether they would or would not attend, such a meeting but they listened with interest to the request. It is our expectation that either the President himself, or Mr. Stockman will attend that meeting. The Coalition is now composed of a considerable number of organizations with political strength. Staff will keep you informed as matters unfold.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the conveyance of Parcels S-1 and S-2, located on Hunters Point Hill; Hunters Point.

Resolution No. 461-81, authorizing an Agreement for Disposition of Land for Parcels S-1 and S-2, located on Hunters Point Hill, to R. & J. Futuristic, Inc., a corporation, approving the disposal price and ratifying the publication of a Notice of Public Hearing; Hunters Point.

President Berk opened the public hearing to hear all persons interested in the conveyance of Parcels S-1 and S-2 to R. & J. Futuristic, Inc., Hunters Point.

Authorization is requested to enter into a Land Disposition Agreement with R. & J. Futuristic, Inc. for Parcels S-1 and S-2, located on Hunters Point Hill in Hunters Point.

NEW BUSINESS (continued)

The original LDA was entered into on January 22, 1980 for development of 67 single-family homes. However, litigation filed against R. & J. prevented them from proceeding and the Agency could not act until the litigation was resolved. R. & J. had to be placed in default on March 27, 1981, which they were unable to cure and the LDA automatically terminated on May 11, 1981.

Mr. Stratton and Mr. McCoy, both corporate members of R. & J. continued processing the housing plans through the Building Department during this period, as they believed their development problems could be resolved. The suit has been settled, the building permit process is completed and ready for issuance.

The development will utilize SB-99 tax-exempt Bond Financing, which will require the Agency Commission and Board of Supervisor's approval when prepared in approximately 60 days.

R. & J. will be developing 67 3-bedroom, 2-bath units in three phases selling in the range of \$129,000 to \$134,500.

The Performance schedule will be to complete construction of Phase I in November 1982, Phase 2 in March 1983 and Phase 3 in July 1983.

There being no persons wishing to appear in connection with the matter, President Berk declared the public hearing closed.

In reply to Mr. Arnette's inquiry Mr. Hamilton indicated that the Board of Supervisors had to approve the issuance of SB-99 Bonds.

In reply to Mr. Arnette's inquiries about the type of units proposed, Mr. Stratton of R. & J. Futuristic, Inc., described the three different models of the development, and indicated that financing for the purchaser would be through SB-99 Bonds.

At this time Mr. Lee arrived, 4:15 p.m.

Mr. Lee inquired of the interest in and demand for these homes and Mr. Stratton indicated he had already sold five units and expects the construction costs to range from \$45 to \$55 a square foot.

Mr. Mardikian requested that staff have drawings of the development on the wall at the time the LDA is before the Commission for approval, and Mr. Arnette and Ms. Berk concurred in this request. Mr. Kernan indicated that normally that was the procedure, but since this was the second time the LDA was before the Commission they were not put up again. Mr. Hamilton indicated that staff would make sure that drawings and exhibits of the development would be on display when an LDA is on the Agenda for approval.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 461-81 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Public Hearing to hear all persons interested in the conveyance of Parcels G, H and J, located northeasterly of Hudson Avenue and Ingalls Street; Hunters Point.

Resolution No. 462-81, authorizing execution of Agreement for Disposition of Land for private development and other conveyance instruments in connection with sale of Parcels G, H and J (located northeasterly of Hudson Avenue and Ingalls Street) to Cypress Grove Housing Corporation, a nonprofit corporation, approving the disposal price and ratifying the publication of a Notice of Public Hearing; Hunters Point Redevelopment Project Area.

This item is in regard to the Land Disposition Agreement for the Cypress Grove development in Hunters Point. It is requested that the Public Hearing and action on this item be continued to the meeting of December 22, 1981.

RULE OF CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (b) would be continued for one week. There being no objection it was so ordered.

- (c) Resolution No. 463-81, authorizing an agreement with Marathon Development which provides up to a \$3.5 million contribution for the Cypress Grove Cooperative Development; Hunters Point.

This item is regarding an Agreement between Marathon Development and the Agency on a \$3.5 Million contribution for the Cypress Grove Cooperative Development. The Agreement is still being reviewed at this time and staff requests that this item be continued to the meeting of December 22, 1981.

RULE OF THE CHAIR: President Berk indicated that subject to the objection of any Commissioner that Item (c) would be continued for one week. There being no objection it was so ordered.

- (d) Resolution No. 464-81, authorizing the reservation of \$1,343,000 from Rincon Point - South Beach site acquisition funds for use by the North of Market UDAG Project as of November 1, 1982 or later as needed provided that any such funds used will be restored to the Rincon Point - South Beach Project from sales proceeds of Parcel 703-B; Western Addition A-1.

Authorization is requested to use \$1,343,000 of site acquisition funds allocated to Rincon Point - South Beach Project for the North of Market UDAG project.

The Mayor's Office of Community Development has advised that the lending institution involved in the North of Market project insists that as a condition to releasing construction funds the City identify and reserve specific funds now to ensure availability on November 1, 1982. For various reasons the City is unable, at this time, to identify those funds and has requested that the Agency agree to the temporary pledging

NEW BUSINESS (continued)

and if necessary the use of \$1,343,000 of site acquisition funds allocated to Rincon Point - South Beach in the 1982 CDBG budget.

This reservation and use will require Board of Supervisor approval and because of the urgency of this matter OCD asked Supervisor Renee to refer this item to the Finance Committee at the December 14 Board of Supervisors meeting.

If Rincon Point - South Beach funds are used for the North of Market UDAG Project, they are to be paid back to that Project with Program Income from the sale of Parcel 708-B in the Fillmore Neighborhood Development Project, also a UDAG Project, in Western Addition A-1.

This relationship results from the fact that HUD in its approval of the City's dual UDAG applications, tied the projects together by requiring that monies to become available from the sale of Parcel 708-B in the Western Addition UDAG were to be passed on to the North of Market UDAG as a contribution to the financing structure of that project. In that way, HUD was able to make the \$1,343,000 count twice in the UDAG programs for the City. The institution that is providing funds for construction of the rehabilitation activity in the North of Market UDAG, wants a greater level of assurance than they believe now exists and that is why the City has been requested to set aside these funds.

Staff has informed OCD that transfer of property acquisition funds from Rincon Point - South Beach may delay some acquisition activities, which may increase costs in the future. However, it is believed that it would be in the best interests of the City to proceed in this manner.

Ms. Rogers expressed her concern that OHCD was spending Redevelopment funds on the North of Market Project when OHCD could be using \$20 million in unspent CDBG funds and Mr. Hamilton indicated that any unspent funds are committed to specific programs by action of the Board of Supervisors and that the use of these funds as he described was actually benefiting the Fillmore Center Development.

Mr. Arnette inquired if the set aside of these funds was a paper transaction or was money actually set aside and Mr. Hamilton indicated that it is a reservation of funds and a pledge of its availability should the lending institution need it.

In reply to Mr. Lee's inquiry on location of Parcel 708-B, Mr. Hamilton indicated this parcel is the one Safeway acquired and is the old Mayfair Market site and is on the southwest corner of Webster and Geary.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 464-81 BE ADOPTED.

- (e) Resolution No. 465-81, authorizing the Executive Director to make specific one-time exceptions to Section VI. A. 2. g. of Agency Personnel Policy relating to vacation credit; All Project Areas.

NEW BUSINESS (continued)

Authorization is requested to permit the Executive Director to approve individual exceptions to the Personnel Policy provision that restricts the carry forward of vacation credit from one calendar year to the next for 1981 only.

Vacation credit in excess of 240 hours is deducted from an employee's vacation account after December 31. The purpose of this restriction is to encourage employees to take a vacation and to avoid large accruals of vacation credit, which would have to be paid at an employee's separation.

Traditionally, the month of December has been a time for many employees to use vacation credit that they would otherwise lose at year's end, as there is usually reduced activity and workload during the holiday season making it easier to schedule time away from work.

However, this particular program year has been unusually active, producing heavy workloads for staff, such as, the development of 300 units in Hunters Point, Central Blocks development in Yerba Buena Center by Olympia and York which have made heavy demands on staff time, and has not permitted certain staff to use vacation time before the end of the year.

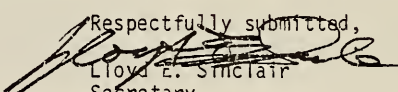
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 465-81 BE ADOPTED.

In reply to Mr. Mardikian's inquiry as to whether this is needed for future years, Mr. Hamilton indicated that for now only a waiver for 1981 is necessary.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,


Lloyd E. Sinclair
Secretary

APPROVED

December 22, 1981

MINUTES OF A CLOSED SESSION OF THE
COMMISSIONERS OF THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF
SAN FRANCISCO HELD ON THE 22ND DAY
OF DECEMBER 1981

The Commissioners of the Redevelopment Agency of the City and County of San Francisco recessed to a closed session at 939 Ellis Street in the City of San Francisco, California at 5:55 p.m. on the 22nd day of December 1981 following the regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Melvin D. Lee, Acting President
H. Jesse Arnelle
Dian Blomquist
Leroy King
Haig G. Mardikian
Walter S. Newman

and the following was absent:

Charlotte Berk, President

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Earl P. Mills, Deputy Executive Director, Community Services; Leo E. Borregard, Agency General Counsel; Harold Bell, Deputy Executive Director, Finance and Administration; James E. Nybakken, Personnel Officer and Lloyd E. Sinclair, Agency Secretary.

NEW BUSINESS

- (a) Resolution No. 480-81, authorizing paid administrative leave from December 24, 1981 through the close of business January 13, 1982 for Randolph Brewster, Supervisor of Property Management.

Mr. Hamilton indicated that after meeting with management staff and consulting with his attorney, Mr. Brewster has agreed to resign his position with the Agency at close of business on February 5, 1982.

Mr. Arnelle left the meeting at this time, 6:00 p.m.

In deference to Mr. Brewster's 12 years of service, and to permit Mr. Brewster to continue his health plan into retirement without a break, staff requests authorization of 13 days paid administrative leave.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 480-81 BE ADOPTED.

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ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Blomquist and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:10 p.m.

Respectfully submitted

Lloyd E. Sinclair
Secretary

